

Annual Report 2008

We Balance for The Best



KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

Contents

1	Financial Highlights
2	The Board of Directors' Report
4	Management Philosophy
5	Financial Status and Operation Results
12	Financial Statements
43	Management
54	Risk Factors
55	Internal Control
56	Connected Transactions
61	The Audit Committee's Report
62	Company's General Informations



Financial Highlights

Highlights of the Consolidated Financial Statements (Million Baht)

as at March 31

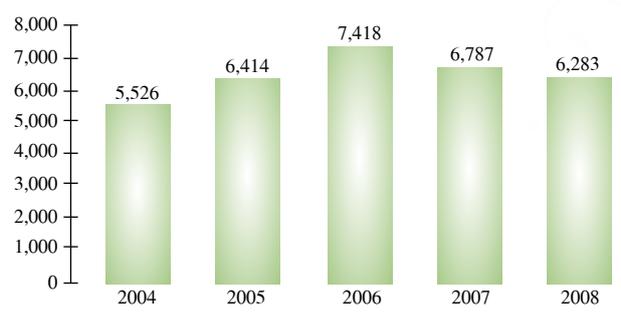
	2009	2008	2007
Total Sales	6,317	6,822	7,450
Total Revenues	6,789	7,190	7,696
Gross Profit	924	625	706
Cost of Sales	5,393	6,197	6,744
Selling and Administrative Expenses	969	923	925
Net Profit	426	69	24
Total Assets	3,673	3,410	3,512
Total Liabilities	1,131	1,256	1,411
Total Shareholder's Equity	2,542	2,154	2,101

Financial Ratio

	2009	2008	2007
Net Profit Ratio (%)	6.28	0.96	0.32
Return on Equity (%)	18.16	3.25	1.13
Return on Assets (%)	12.04	2.00	0.68
Devidend pay out Ratio (%)	-	50.84	50.65
Liabilities per Equities Ratio	0.45	0.58	0.67
Earning per Share (Baht)	19.38	3.15	1.11
Devidend par Share (Baht)	-	1.60	0.56
Book value Per Share (Baht)	115.52	97.92	95.48
Total Staff (persons)	1,109	1,054	1,171

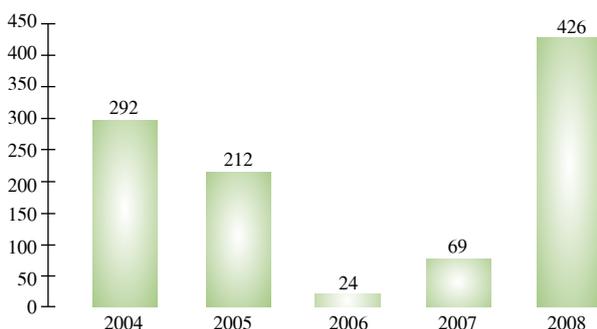
Total Sales year 2004 - 2008

Million Baht

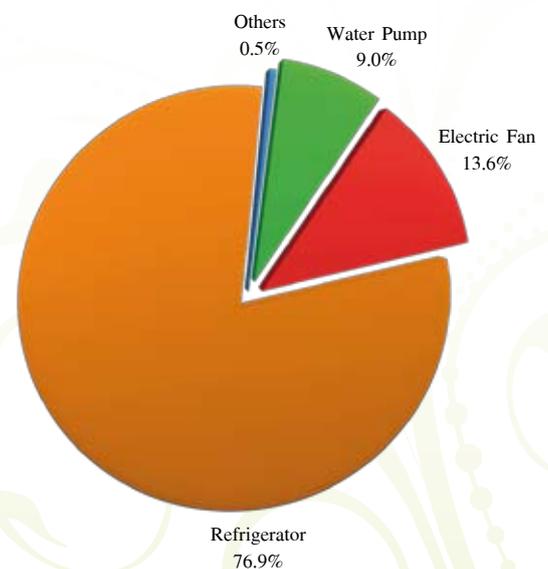


Net Profit year 2004 - 2008

Million Baht



Sales by product April 2008 - March 2009



The Board of Directors' Report



Dear Shareholders of Kang Yong Electric Public Company Limited,

In the past fiscal year 2008, the company's operation result accounted for 6,789 Million Baht totally with the increased net profit as compared to the previous year.

Overall sales of products decreased by 7.4% as compared to the previous year, because the effect of exporting primarily. In particular, the product such as refrigerator having been exported to Japan reduced by 20%, as well as other Asian countries. In addition, since the competition was stiff in the market, overall level of market demand reduced consequently.

Because domestic sales were positively responsive, the sales exceeded the target goal. The company also earned other income from investment over other companies increasingly as compared to previous year, including the income from interest received.

Regarding to company's expenditure, proportion of selling cost reduced by 85% as compared to overall sales. This was because new product models generated higher profit than the old ones, resulting in loss. Moreover, the production control was carried out more effectively, this resulted in cost of goods sold reduction. However, sales and administrative cost increased by 7% mainly resulted from the increase of after-sale service and product development expenses.

In summary, as on income and expense mentioned above, the company gained earning after tax increased by 516% as resulted from income tax adjustment of tax advantages on accumulated loss carried forward. Therefore, the company had no tax to be paid at ended 31st March 2009.

In fiscal year 2009, the business operation has to face with the effect of important factors such as global and domestic economic crisis, a tightness of domestic business, fluctuation of fuel price, inflation, interest rate, currency exchange rate as compared to US dollars, as well as the Thai political uncertainly and governmental administration. All these have affected the overall sales in both domestic and overseas markets.

The company intended to operate the business to fight against the stiff pressure situation by improvement and continuous development in wide range of activities, for examples, reduction in overall cost, improvement and development on manufacture, products that meet the consumer's need and reduction in overall administrative expenses, implementation of monitoring measures for external factors that might impact the business, risk management, management and market strategy modification that could be competitive in the markets in sustainable growth and progression.

By this very moment, the Board of Directors and member of the Management hereby would gratefully thank all the Shareholders, Contributors, and Concerned Persons for entrustment, participation, and constant contribution.

A handwritten signature in black ink, appearing to read 'P. Phodhivorakhun', written in a cursive style.

(Mr. Praphad Phodhivorakhun)
Chairman of the Board of Directors

The Board of Directors



Mr. Staporn Kavitanon
Honorary Chairman



Mr. Praphad Phodhivorakhun
Chairman of the Board of
Directors



Mr. Sadahiro Tomita
Vice Chairman



Mr. Supachai Setasathira
Director



Mr. Akira Kurishima
Director



Mr. Komol Vongthongsri
Director



Mr. Chackchai Panichapat
Director



Mr. Shoichiro Hara
Director



Mr. Yoshifumi Beppu
Director



Mr. Masato Tashiro
Director



Mr. Akira Nakamichi
Director



**Pol.Sub.Lt. Kriengsak
Lohachala**
Director



Mrs. Tipvimol Saengsuphan
Director



Mr. Arthakrit Visudtibhan
Director



Mr. Udom Satianrapapong
Director

Management Philosophy



Our aim is to improve our organization by employing 3 main operational policies in order to meet all consumer needs and to satisfy **other requirements** that include **Technology, Quality Control and Safety & Environmental Friendly**. Our business concept is “We Balance for The Best.”

Management Policy

1. To pursue great satisfaction to our customer.
Quality : To produce high quality products.
Delivery : To manufacture and deliver with right model and quantity when our customer needs.
Cost : To provide cost competitive products.
2. To achieve the strong management structure.
 - To work closely together with Marketing and Manufacturing.
 - To develop more competitive products than other manufacturer.
 - To contribute the cost reduction throughout the company.
 - To continue our improvement throughout the company.
 - To encourage profit-loss control system and monthly activities of improvement in each departments.
3. To reinforce substantial business.
 - To execute completely in ISO - 9001 and ISO - 14001 management system.
 - To strengthen in human resource development and labour relationship.
 - To enforce measures in our basic corporate rules such as business ethics, safety, compliance and disciplines.
 - To promote the unity and collaborated realization among the company.



Financial Status and Operation Results

Financial Statement

a) The Summary of Audit's Report

The Balance Sheets of Kang Yong Electric Public Company Limited audited by KPMG Phoomchai Audit Ltd. since previous 3 year accounting. The KPMG Phoomchai Audit (Thailand) Ltd. stated that the financial statements referred to above present fairly, in all material respects, the financial position of Kang Yong Electric Public Company Limited as at 31 March 2009 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

b) The Summary of Balance Sheets

For the years ended March 31, 2007, 2008 and 2009

Kang Yong Electric Public Company Limited						
Balance Sheets						
As at March 31, 2007, 2008 and 2009						
Assets	March 31, 2007		March 31, 2008		March 31, 2009	
	Baht	%	Baht	%	Baht	%
Current Assets						
Cash and cash equivalents	261,462,299	8	750,172,302	22	1,363,729,373	37
Trade account receivables - net	883,189,377	26	895,761,900	26	769,851,773	21
Other receivables from and short - term	122,706,571	4	182,017,299	5	190,253,087	5
Inventories - net	820,193,499	24	558,598,581	16	465,105,651	13
Other Current Assets						
Refundable value added tax	36,892,757	1	26,703,793	1	27,114,924	1
Advance payment - net	-		-		-	
Others	57,285,217	2	25,558,994	1	13,463,813	0
Total Other Current Assets	94,177,974	3	52,262,787	2	40,578,737	1
Total Current Assets	2,181,729,720	64	2,438,812,869	72	2,829,518,621	77
Non-Current Assets						
Investment accounted for using the equity method	9,172,946	0	9,291,949	0	8,965,647	0
Long - term investments	166,534,252	5	163,178,920	5	160,351,258	4
Property, plant and equipment - net	954,499,307	28	763,625,975	22	647,938,359	18
Intangible assets - net	2,392,753	0	1,796,210	0	2,160,062	0
Other non - current assets - net	69,201,717	2	33,073,715	1	23,951,457	1
Total non - Current Assets	1,201,800,975	36	970,966,769	28	843,366,783	23
Total Assets	3,383,530,695	100	3,409,779,638	100	3,672,885,404	100

Kang Yong Electric Public Company Limited

Balance Sheets

As at March 31, 2007, 2008 and 2009

Liabilities and Shareholders' Equity	March 31, 2007		March 31, 2008		March 31, 2009	
	Baht	%	Baht	%	Baht	%
Current Liabilities						
Trade accounts payables	810,968,773	24	791,151,935	23	573,082,479	16
Other payables to related parties	291,616,082	9	234,524,516	7	237,835,356	6
Other current liabilities						
Accrued expenses	50,308,052	1	49,058,856	1	38,103,705	1
Others	8,597,438	0	5,701,793	0	8,369,941	0
Total Other Current Liabilities	58,905,490	2	54,760,649	2	46,473,646	1
Total current liabilities	1,161,490,345	34	1,080,437,100	32	857,391,481	23
Provisions for warranties	94,113,443	3	149,756,443	4	249,646,672	7
Provident and pension funds	27,297,668	1	25,392,348	1	24,346,754	1
Total Non-Current Liabilities	121,411,111	4	175,148,791	5	273,993,426	7
Total Liabilities	1,282,901,456	38	1,255,585,891	37	1,131,384,907	31
Shareholder's Equity						
Authorized share capital						
22,000,000 ordinary shares Issued and fully paid - up share capital Baht 10 par value	220,000,000	7	220,000,000	6	220,000,000	6
22,000,000 ordinary shares Baht 10 par value	220,000,000	7	220,000,000	6	220,000,000	6
Premium on share capital						
Premium on shares	726,100,000	21	726,100,000	21	726,100,000	20
Fair value changes	5,010,512	0	1,655,180	0	(2,275,926)	0
Retained earnings						
Appropriated for						
Legal reserve	22,000,000	1	22,000,000	1	22,000,000	1
Others	420,000,000	12	420,000,000	12	420,000,000	11
Unappropriated	707,518,727	21	764,438,567	22	1,155,676,423	31
Total Shareholders' Equity	2,100,629,239	62	2,154,193,747	63	2,541,500,497	69
Total Liabilities and Shareholders' Equity	3,383,530,695	100	3,409,779,638	100	3,672,885,404	100

Kang Yong Electric Public Company Limited
Statements of Income

For the years ended March 31, 2007, 2008 and 2009

	April 1, 2006 - March 31, 2007		April 1, 2007 - March 31, 2008		April 1, 2008 - March 31, 2009	
	Baht	%	Baht	%	Baht	%
Revenues						
Revenue from sale of goods and rendering of services	7,450,098,919	97	6,821,850,141	95	6,317,434,280	93
Net foreign exchange gain	-	-	-	-	2,633,241	0
Dividend income	154,030,604		278,463,673		338,745,015	
Other income	89,509,978	1	89,153,354	1	130,442,898	2
Share of profit from investment accounted for the using equity method	2,114,862	0	119,003	0	-	-
Total revenues	7,695,754,363	100	7,189,586,171	100	6,789,255,434	100
Expenses						
Costs of sales and rendering of services	6,743,974,170	88	6,197,175,573	86	5,393,243,208	79
Selling and administrative expenses	911,550,802	12	908,727,956	13	968,885,855	14
Loss on exchange rate	13,534,144	0	13,921,412	0	-	-
Share of loss from investment accounted for using the equity method	-	-	-	-	326,302	0
Total Expenses	7,669,059,116	100	7,119,824,941	99	6,362,455,365	94
Profit before interest expense and income tax	26,695,247	0	69,761,230	1	426,800,069	6
Interest expense	2,371,732	0	521,390	0	362,373	0
Income tax expense	-	-	-	-	-	-
Profit form ordinary activities	24,323,515	0	69,239,840	1	426,437,696	6
Net Profit	24,323,515	0.3	69,239,840	1.0	426,437,696	6.3
Basic earnings per share	1.11		3.15		19.38	
Number of weighted average common shares (shares)	22,000,000		22,000,000		22,000,000	

Kang Yong Electric Public Company Limited
Statement of Retained Earnings

For the years ended March 31, 2007, 2008 and 2009

	April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008	April 1, 2008 - March 31, 2009
	Baht	Baht	Baht
Unappropriated retained earnings			
Brought forward as previously reported	789,015,212	707,518,727	764,438,567
Less Adjustment from charges in accounting policies	-	-	-
Brought forward as restated	789,015,212	707,518,727	764,438,567
Less Appropriation of prior year earnings			
Dividend Payment	(105,820,000)	(12,320,000)	(35,199,840)
Net income for the year	24,323,515	69,239,840	426,437,696
Total appropriated retained earnings	707,518,727	764,438,567	1,155,676,423
Appropriated retained earnings			
Legal reserve	22,000,000	22,000,000	22,000,000
Other	420,000,000	420,000,000	420,000,000
Total appropriated retained earnings	442,000,000	442,000,000	442,000,000
Total Retained Earnings	1,149,518,727	1,206,438,567	1,597,676,423

Kang Yong Electric Public Company Limited
Statement of Cash Flows
For the years ended March 31, 2007, 2008 and 2009

	April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008	April 1, 2008 - March 31, 2009
	<i>Baht</i>	<i>Baht</i>	<i>Baht</i>
Cash flows from operating activities			
Net Profit	24,323,515	69,239,840	426,437,696
Adjustments for			
Depreciation and amortization	318,137,789	253,503,271	201,103,019
Interest income	(10,839,253)	(16,083,845)	(34,232,961)
Interest expense	2,371,732	521,390	362,373
Income tax expense	-	-	-
Dividened income	(154,030,604)	(278,463,673)	(338,745,015)
Loss on impairment of fixed assets (reversal)	(1,334,162)	21,493,045	(21,700,531)
Allowance for doubtful accounts	1,004,101	(35,000)	(120,000)
Allowance for obsolete stock (reversal)	1,975,557	4,596,221	(3,399,123)
Share of loss (Profits) from investments accounted for using the equity method	(2,114,862)	(119,003)	326,302
Allowance for other long-term investments	35,448,400	-	-
Increase in provision	35,957,000	55,643,000	99,890,229
Loss (gain) on foreign exchange translations	(1,169,060)	4,938,397	(2,279,074)
Loss on sales of equipment	(1,727,110)	6,704,946	10,451,101
Profit from operations activities before changes in operating assets and liabilities	248,003,043	121,938,589	338,094,016
Changes in operating assets and liabilities			
Trade accounts receivable	127,956,360	(16,471,337)	126,519,007
Receivables from related companies	30,930,211	1,830,394	(10,559,732)
Inventories	(21,518,927)	256,998,697	97,062,224
Other current assets	44,569,699	40,210,676	11,675,228
Other non-current assets	2,433,693	35,471,902	8,691,876
Trade accounts payable	(147,515,846)	(22,259,907)	(218,693,655)
Payables to related companies	36,859,195	(58,085,236)	4,844,882
Income tax paid	-	-	(1,068,577)
Accured expenses and other current liabilities	(5,298,490)	(3,445,664)	(8,232,583)
Provident and pension funds	(2,952,175)	(1,905,320)	(1,045,594)
Net cash provided by operation activities	313,466,763	354,282,794	347,287,092
Cash flows from investing activities			
Interest received	10,871,424	15,927,092	34,361,783
Dividend received	164,670,365	201,156,073	334,805,895
Purchase of other long-term investment	-	-	(1,103,444)
Short-term loans to related party	655,151,891	309,854,454	309,513,355
Repayment of short-term loans to related party	(669,894,808)	(293,687,977)	(303,250,292)
Sales of equipment	4,756,708	4,478,727	3,451,858
Purchases of property, plant and equipment	(125,272,105)	(89,760,396)	(75,892,544)
Increase in intangible assets	340,571	-	-
Net cash provided by (used in) investing activities	40,624,046	147,967,973	301,886,611

Kang Yong Electric Public Company Limited			
Statement of Cash Flows			
For the years ended March 31, 2007, 2008 and 2009			
	April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008	April 1, 2008 - March 31, 2009
	<i>Baht</i>	<i>Baht</i>	<i>Baht</i>
Cash flows from financing activities			
Decrease in loans from related companies	-	-	-
Interest payment	(2,040,279)	(1,220,764)	(416,792)
Dividend payments	(105,820,000)	(12,320,000)	(35,199,840)
Net cash used in financing activities	(107,860,279)	(13,540,764)	(35,616,632)
Net increase (decrease) in cash and cash equivalents	246,230,530	488,710,003	613,557,071
Cash and cash equivalents at beginning of the year	15,231,769	261,462,299	750,172,302
Cash and cash equivalents at end of the year	261,462,299	750,172,302	1,363,729,373

Non-cash transactions

During the year ended 31 March 2009, the Company acquired property, plant and equipment at a total cost of Baht 76.7 million (2008:Baht 94.1million) of which Baht 75.9 million (2008:Baht 89.8 million) was made by cash payment and baht 0.8 million (2008:Baht 4.3 million) was outstanding as liabilities at the end of the year

C) Financial Ratio

For the years ended March 31, 2007, 2008 and 2009						
	March 31, 2007	March 31, 2008	March 31, 2009			
<u>LIQUIDITY RATIOS</u>						
Current Ratios	1.88	2.26	Time	3.30	Time	
Quick Liquidity Ratios	1.09	1.69	Time	2.71	Time	
Cash Flow Liquidity Ratios	0.26	0.32	Time	0.36	Time	
Account Receivable Turnover	8.04	7.67	Time	7.59	Time	
Collection period	45	47	Days	47	Days	
Inventories Turnover	8.32	8.99	Time	10.54	Time	
Average Sales Period	43	40	Days	34	Days	
Accounts Payable Turnover	7.73	7.74	Time	7.91	Time	
Payment Period	47	47	Days	46	Days	
Cash Cycle	41	40	Days	36	Days	
<u>PROFITABILITY RATIOS</u>						
Gross Profit Margin	9.48	%	9.16	%	14.63	%
Net Profit Margin	0.32	%	0.96	%	6.28	%
Return on Equity	1.13	%	3.25	%	18.16	%
<u>EFFICIENCY RATIOS</u>						
Return on Total Assets	0.70		2.04	%	12.04	%
Return on Fixed Asset	26.34		37.43	%	88.75	%
Assets turnover	2.22		2.12	Time	1.92	Time

	For the years ended March 31, 2007, 2008 and 2009			
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2009
FINANCIAL POLICY RATIOS				
Debt to Equity	0.61	0.58	Time	0.45
Interest Coverage Ratio	11.26	133.80	Time	1,177.79
Fixed Charges Coverage Ratio	0.17	3.82	Time	6.87
Cash Fixed Charges Coverage Ratio	2.92	27.63	Time	9.78
Payout Ratio	50.65	50.84	%	-
Shares				
Equity per share	95.48	97.92	Baht	115.52
Earnings per share	1.11	3.15	Baht	19.38
Dividend per share	0.56	1.60	Baht	-
Growth				
Total Assets	(4.92)	0.78	%	7.72
Total Liabilities	(5.70)	(2.13)	%	(9.89)
Sales and Services	15.77	(8.43)	%	(7.39)
Management Expense	19.19	(0.26)	%	5.03
Net Profit	(88.50)	184.66	%	515.88

Analysis of Financial Status and Operation Results

For the year 2008 (April 1, 2008 - March 31, 2009)

Operation results

Operation results for the 2008 fiscal year ended March 31, 2009 compared with the same period of 2007 ended March 31, 2008 had net profit after taxes increasing 516% operation results changed due to :-

1) Revenues from the sales were decreased from 6,822 million baht to 6,317 million baht in 2008 was 7.4% because revenues from the exports refrigerators to Japan were decreased 20%.

2) Other income was increased 41.3 million baht due to revenues from the interest income was increased. Moreover, dividend income from investment in other company was increased 60.3 million baht.

3) The cost of sales portion are recorded 91% was 85% of total sales due to the selling of new products was increased which brought more profits than many old unprofitable products. Moreover, the production effectiveness is better. Therefore, the production cost is dramatically decreased.

4) Selling and administrative expenses were increased by 7%, mostly from higher after service cost and product development free was increased.

Net profit after taxes was increased by 516% to the contrary, with the reason that the company had adjust to corporate income tax from the utilization of tax loss carry forwards. Therefore no income tax was payable for ended 31 March 2009.

Financial status

Total assets

As of March 31, 2009 total assets compared with March 31, 2008 increased from 3,410 million baht to 3,673 million because current assets increased from 72% to 77% of total assets because cash and cash equivalents increased 614 million baht due to inventory management decreased 94 million baht. List of property, plant and equipment net was decreased 116 million baht from write off the fix assets was 104 million baht.

Total liabilities

As March 31, 2009 total assets compared with March 31, 2008 decreased from 1,255 million baht to 1,131 million baht because trade accounts payable decreased 218 million baht

Shareholder's Equity

As of March 31, 2009 shareholder's equity compared with March 31, 2008 increased from 2,154 million baht to 2,541 million baht because the operations in this period had the profit 427 million baht and the dividend payment 35.2 million baht and difference from investment 3.9 million baht

Financial analysis

1.) Liquidity ratio was increased from 2.26 time as in 2007 fiscal year to 3.30 time as in fiscal year 2008 with the assets sufficient to pay the short-term debts due to cash and cash equivalents increased 614 million baht from inventory management have long period and account payable was decreased continuously. Therefore, current liabilities was decreased.

2.) Profitability was increased by the gross profit margin increased from 9.16 % in 2007 fiscal year to 14.63% in 2008 fiscal year because selling of new products more profits than many old unprofitable products and the the production is high efficiency.

3.) Return on fixed assets increased from 37% in 2007 fiscal year to 89 % in 2008 fiscal year due to write off fix assets devalue but they are still so good

4.) Interest coverage ratio due to better financial liquidity and able to pay debt, interest expense and dividend. In 2008 the company decreased the short term loans.



Audit Report of Certified Public Accountant

To the Shareholders of Kang Yong Electric Public Company Limited

I have audited the accompanying balance sheet in which the equity method is applied and separate balance sheet of Kang Yong Electric Public Company Limited as at 31 March 2009, and the related statements of income, changes in equity and cash flows for the year then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements in which the equity method is applied and separate financial statements of Kang Yong Electric Public Company Limited for the year ended 31 March 2008 were audited by another auditor whose report dated 15 May 2008 expressed an unqualified opinion on those statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kang Yong Electric Public Company Limited as at 31 March 2009 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.



(Bongkot Amsageam)
Certified Public Accountant
Registration No. 3684

KPMG Phoomchai Audit Ltd.
Bangkok
13 May 2009



Balance Sheets

Kang Yong Electric Public Company Limited
As at 31 March 2009 and 2008

Assets	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2009	2008	2009	2008
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	1,363,729,373	750,172,302	1,363,729,373	750,172,302
Trade accounts receivable	4, 6	769,851,773	895,761,900	769,851,773	895,761,900
Other receivable from and short-term loans to related parties	4	190,253,087	182,017,299	190,253,087	182,017,299
Inventories	7	465,105,651	558,598,581	465,105,651	558,598,581
Other current assets		40,578,737	52,262,787	40,578,737	52,262,787
Total current assets		2,829,518,621	2,438,812,869	2,829,518,621	2,438,812,869
Non-current assets					
Investment in associate	8.1	8,965,647	9,291,949	3,000,000	3,000,000
Investments in related parties	8.2	157,361,700	157,361,700	157,361,700	157,361,700
Other long-term investments	8.3	2,989,558	5,817,220	2,989,558	5,817,220
Property, plant and equipment	9	647,938,359	763,625,975	647,938,359	763,625,975
Other non-current assets	10	26,111,519	34,869,925	26,111,519	34,869,925
Total non-current assets		843,366,783	970,966,769	837,401,136	964,674,820
Total assets		3,672,885,404	3,409,779,638	3,666,919,757	3,403,487,689

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

Balance Sheets

Kang Yong Electric Public Company Limited
As at 31 March 2009 and 2008

Liabilities and equity	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2009	2008	2009	2008
<i>(in Baht)</i>					
Current liabilities					
Trade accounts payables	4, 11	573,082,479	791,151,935	573,082,479	791,151,935
Other payables to related parties	4	237,835,356	234,524,516	237,835,356	234,524,516
Other current liabilities		46,473,646	54,760,649	46,473,646	54,760,649
Total current liabilities		857,391,481	1,080,437,100	857,391,481	1,080,437,100
Non-current liabilities					
Provision for warranties		249,646,672	149,756,443	249,646,672	149,756,443
Provident funds	17	24,346,754	25,392,348	24,346,754	25,392,348
Total non-current liabilities		273,993,426	175,148,791	273,993,426	175,148,791
Total liabilities		1,131,384,907	1,255,585,891	1,131,384,907	1,255,585,891
Equity					
Share capital	12				
Authorised share capital		220,000,000	220,000,000	220,000,000	220,000,000
Issued and paid-up share capital		220,000,000	220,000,000	220,000,000	220,000,000
Reserves	13				
Premium on shares		726,100,000	726,100,000	726,100,000	726,100,000
Fair value changes	8.3	(2,275,926)	1,655,180	(2,275,926)	1,655,180
Retained earnings					
Appropriated					
Legal reserve	13	22,000,000	22,000,000	22,000,000	22,000,000
Others		420,000,000	420,000,000	420,000,000	420,000,000
Unappropriated		1,155,676,423	764,438,567	1,149,710,776	758,146,618
Total equity		2,541,500,497	2,154,193,747	2,535,534,850	2,147,901,798
Total liabilities and equity		3,672,885,404	3,409,779,638	3,666,919,757	3,403,487,689

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

Statements of income

Kang Yong Electric Public Company Limited
For the years ended 31 March 2009 and 2008

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2009	2008	2009	2008
<i>(in Baht)</i>					
Revenues					
Revenue from sale of goods	4				
and rendering of services	14	6,317,434,280	6,821,850,141	6,317,434,280	6,821,850,141
Dividend income		338,745,015	278,463,673	338,745,015	278,463,673
Net foreign exchange gain		2,633,241	-	2,633,241	-
Other income	15	130,442,898	89,153,354	130,442,898	89,153,354
Share of profit from investment accounted for using the equity method	8.1	-	119,003	-	-
Total revenues		6,789,255,434	7,189,586,171	6,789,255,434	7,189,467,168
Expenses					
Cost of sale of goods	4				
and rendering of services		5,393,243,208	6,197,175,573	5,393,243,208	6,197,175,573
Selling and administrative expenses	16	968,885,855	908,727,956	968,885,855	908,727,956
Net foreign exchange loss		-	13,921,412	-	13,921,412
Share of loss from investment accounted for using the equity method	8.1	326,302	-	-	-
Total expenses		6,362,455,365	7,119,824,941	6,362,129,063	7,119,824,941
Profit before interest expense		426,800,069	69,761,230	427,126,371	69,642,227
Interest expense		(362,373)	(521,390)	(362,373)	(521,390)
Profit for the year		426,437,696	69,239,840	426,763,998	69,120,837
Basic earnings per share	20	19.38	3.15	19.40	3.14

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

Statements of changes in equity

Kang Yong Electric Public Company Limited
For the years ended 31 March 2009 and 2008

	Note	Separate financial statements							Total equity
		Issued and paid-up share capital	Reserves			Retained earnings			
			Share premium	Fair value changes	Legal reserve	Appropriated to	Others	Unappropriated	
(in Baht)									
Balance at 1 April 2007		220,000,000	726,100,000	5,010,512	22,000,000	420,000,000	701,345,781	2,094,456,293	
Change in fair value of investments		-	-	(3,355,332)	-	-	-	3,355,332	
Profit for the period		-	-	-	-	-	69,120,837	69,120,837	
Dividends	21	-	-	-	-	-	(12,320,000)	(12,320,000)	
Balance at 31 March 2008		220,000,000	726,100,000	1,655,180	22,000,000	420,000,000	758,146,618	2,147,901,798	
Change in fair value of investments		-	-	(3,931,106)	-	-	-	(3,931,106)	
Profit for the period		-	-	-	-	-	426,763,998	426,763,998	
Dividends	21	-	-	-	-	-	(35,199,840)	(35,199,840)	
Balance at 31 March 2009		220,000,000	726,100,000	(2,275,926)	22,000,000	420,000,000	1,149,710,776	2,585,534,850	

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

Statements of cash flows

Kang Yong Electric Public Company Limited
For the years ended 31 March 2009 and 2008

	Financial statements in which the equity method is applied		Separate financial statements	
	2009	2008	2009	2008
	(in Baht)			
Cash flows from operating activities				
Profit for the year	426,437,696	69,239,840	426,763,998	69,120,837
<i>Adjustments for</i>				
Depreciation and amortisation	201,103,019	253,503,271	201,103,019	253,503,271
Interest income	(34,232,961)	(16,083,845)	(34,232,961)	(16,083,845)
Dividend income	(338,745,015)	(278,463,673)	(338,745,015)	(278,463,673)
Interest expense	362,373	521,390	362,373	521,390
Unrealised loss (gain) on exchange	(2,279,074)	4,938,397	(2,279,074)	4,938,397
Reversal of allowance for doubtful accounts	(120,000)	(35,000)	(120,000)	(35,000)
Allowance for obsolete inventories (reversal)	(3,399,123)	4,596,221	(3,399,123)	4,596,221
Allowance for impairment loss of assets (reversal)	(21,700,531)	21,493,045	(21,700,531)	21,493,045
Provision for warranties	99,890,229	55,643,000	99,890,229	55,643,000
Share of loss (profit) from investments accounted for using the equity method	326,302	(119,003)	-	-
Loss on disposal of equipment	10,451,101	6,704,946	10,451,101	6,704,946
	338,094,016	121,938,589	338,094,016	121,938,589
Changes in operating assets and liabilities				
Trade accounts receivable	126,519,007	(16,471,337)	126,519,007	(16,471,337)
Other receivables from related parties	(10,559,732)	1,830,394	(10,559,732)	1,830,394
Inventories	97,062,224	256,998,697	97,062,224	256,998,697
Other current assets	11,675,228	40,210,676	11,675,228	40,210,676
Other non-current assets	8,691,876	35,471,902	8,691,876	35,471,902
Trade accounts payable	(218,693,655)	(22,259,907)	(218,693,655)	(22,259,907)
Other payables to related parties	4,844,882	(58,085,236)	4,844,882	(58,085,236)
Other current liabilities	(8,232,583)	(3,445,664)	(8,232,583)	(3,445,664)
Provident fund paid	(1,045,594)	(1,905,320)	(1,045,594)	(1,905,320)
Income tax paid	(1,068,577)	-	(1,068,577)	-
Net cash provided by operating activities	347,287,092	354,282,794	347,287,092	354,282,794

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

Statements of cash flows

Kang Yong Electric Public Company Limited
For the years ended 31 March 2009 and 2008

	Financial statements in which the equity method is applied		Separate financial statements	
	2009	2008	2009	2008
	(in Baht)			
Cash flows from investing activities				
Interest received	34,361,783	15,927,092	34,361,783	15,927,092
Dividends received	334,805,895	201,156,073	334,805,895	201,156,073
Purchase of other long-term investments	(1,103,444)	-	(1,103,444)	-
Short-term loans to related party	309,513,355	309,854,454	309,513,355	309,854,454
Repayment of short-term loans to related party	(303,250,292)	(293,687,977)	(303,250,292)	(293,687,977)
Sale of equipment	3,451,858	4,478,727	3,451,858	4,478,727
Purchases of equipment	(75,892,544)	(89,760,396)	(75,892,544)	(89,760,396)
Net cash provided by investing activities	301,886,611	147,967,973	301,886,611	147,967,973
Cash flows from financing activities				
Dividend paid	(35,199,840)	(12,320,000)	(35,199,840)	(12,320,000)
Interest paid	(416,792)	(1,220,764)	(416,792)	(1,220,764)
Net cash used in financing activities	(35,616,632)	(13,540,764)	(35,616,632)	(13,540,764)
Net increase in cash and cash equivalents	613,557,071	488,710,003	613,557,071	488,710,003
Cash and cash equivalents at beginning of year	750,172,302	261,462,299	750,172,302	261,462,299
Cash and cash equivalents at end of year	1,363,729,373	750,172,302	1,363,729,373	750,172,302

Non-cash transactions

During the year ended 31 March 2009, the Company acquired property, plant and equipment at a total cost of Baht 76.7 million (2008: Baht 94.1 million) of which Baht 75.9 million (2008: Baht 89.8 million) was made by cash payment and Baht 0.8 million (2008: Baht 4.3 million) was outstanding as liabilities at the end of the year.

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

Notes to the financial statements

Kang Yong Electric Public Company Limited
For the years ended 31 March 2009 and 2008

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related party transactions and balances
5	Cash and cash equivalents
6	Trade accounts receivable
7	Inventories
8	Investments
9	Property, plant and equipment
10	Other non-current assets
11	Trade accounts payable
12	Share capital
13	Reserves
14	Segment information
15	Other income
16	Selling and administrative expenses
17	Personnel expenses
18	Income tax
19	Promotional privileges
20	Basic earnings per share
21	Dividends
22	Financial instruments
23	Commitments with non-related parties
24	Thai Accounting Standards (TAS) not yet adopted
25	Reclassification of accounts

Notes to the financial statements

Kang Yong Electric Public Company Limited For the years ended 31 March 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 13 May 2009.

1. General information

Kang Yong Electric Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 67 Moo 11 Bangna-Trad Road, Km 20 Bangchalong, Bangplee, Samutprakarn Province.

The Company was listed on the Stock Exchange of Thailand in October 1993.

The parent company is Mitsubishi Electric Corporation, incorporated in Japan (40.81% shareholding).

The principal activities of the Company are manufacturing and distributing household electrical appliances under the “Mitsubishi” trademark. The Company obtained the production licence and technology from its major joint venture partner, Mitsubishi Electric Corporation, incorporated in Japan.

2. Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

The Company has adopted the following new and revised Thai Accounting Standards (TAS) which were issued by the FAP during 2007 and effective for accounting periods beginning on or after 1 January 2008.

TAS 25 (revised 2007) *Cash Flows Statements*

TAS 29 (revised 2007) *Leases*

TAS 31 (revised 2007) *Inventories*

TAS 35 (revised 2007) *Presentation of Financial Statements*

TAS 39 (revised 2007) *Accounting Policies, Changes in Accounting Estimates and Errors*

TAS 41 (revised 2007) *Interim Financial Reporting*

TAS 51 *Intangible Assets*

The adoption of these new and revised TAS does not have any material impact on the Company’s financial statements.

The FAP has issued during 2008 a number of revised TAS which are only effective for financial statements beginning on or after 1 January 2009 and have not been adopted in the preparation of these financial statements. These revised TAS are disclosed in note 24.

The financial statements are presented in Thai Baht, rounded in the notes to financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These judgements, estimates and assumptions are based on historical experience and various other factors, including management's assessment of the potential impact on the Company's operations and financial position of the global economic crisis. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

3. Significant accounting policies

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

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

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(c) 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.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula 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 process, 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.

(e) Investments

Investment in associate

Investment in associate in the separate financial statements of the Company is accounted for using the cost method. Investment in associate in the financial statements in which the equity method is applied is accounted for using the equity method.

Investments in related parties

Investments in related parties are stated at cost less impairment loss.

Other long-term investments

Other long-term investments in marketable equity securities classified as available-for-sale securities are stated at fair value with any resultant gain or loss being recognised directly to equity.

When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the balance sheet date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(f) Property, plant and equipment

Owned assets

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

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5	years
Building and improvements	20 and 5	years
Machinery and equipment	10	years
Factory equipment	5	years
Office equipment	5	years
Vehicles	5	years

Depreciation of factory equipment (mould and jig), acquired since 1 April 2003, is calculated using the double declining balance method over the estimated useful lives of assets of 5 years.

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

(g) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income.

When a decline in fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss had been recognised directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of non-financial assets is the greater of the assets' net selling price and value in use. 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 recognised. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

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.

(h) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(i) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.

Provision for warranties

A provision for goods warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(j) Revenue

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

Sale of goods and rendering of services

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

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Company's right to receive payments is established.

Other income is recognised in the statement of income as it accrues.

(k) Expenses*Operating leases*

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of

the lease. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

Finance costs

Interest expense and similar costs are charged to the statement of income for the period in which they are incurred.

(l) Income tax

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

4. Related party transactions and balances

Related parties are those parties linked to the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows:

Name of entities	Country of corporation	Nature of relationships
<i>Parent</i>		
Mitsubishi Electric Corporation	Japan	Parent, 40.81% shareholding
<i>Associate</i>		
Smile Super Express Co., Ltd.	Thailand	Associate, 33.33% shareholding
<i>Other related parties</i>		
Thai Refrigeration Components Co., Ltd.	Thailand	Common director
D.S. Development Co., Ltd.	Thailand	Common director
Kulthorn Kirby Public Company Limited	Thailand	Common director
Mitsubishi Electric Kang Yong Watana Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Mitsubishi Electric Consumer products (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Siam Compressor Industry Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Thai CRT Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Mitsubishi Electric Life Network Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Engineering Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Home Appliance Co., Ltd.	Japan	A subsidiary of the Company's parent

Name of entities	Country of corporation	Nature of relationships
Mitsubishi Electric Taiwan Co., Ltd.	Taiwan	A subsidiary of the Company's parent
Mitsubishi Electric Asia Pte. Ltd.	Singapore	A subsidiary of the Company's parent
Mitsubishi Electric Australia Pty. Ltd.	Australia	A subsidiary of the Company's parent
Mitsubishi Electric Ryoden Air - Conditioning & Visual Information Systems (Hong Kong) Ltd.	Hongkong	A subsidiary of the Company's parent
Melco Sales Malaysia Sdn. Bhd. (Formerly Antah Melco Sales & Services Sdn. Bhd.)	Malaysia	A subsidiary of the Company's parent
Setsuyo Athtech Co., Ltd.	Japan	An affiliate of the Company's parent
Ryoden International Co., Ltd.	Hongkong	A subsidiary of the Company's parent
Melco Thai Capital Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Information Network	Japan	A subsidiary of the Company's parent
Melco Travel Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric (H.K) Ltd.	Hongkong	A subsidiary of the Company's parent
Mitsubishi Electric Automation (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
K.G.M. Services Co., Ltd.	Thailand	A subsidiary of the Company's parent
Melco Logistics (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Trading Corp.	Japan	A subsidiary of the Company's parent

The Company has a policy on pricing based on "normal business practice or market price under normal trade conditions" for business transactions with its related parties, including purchases and sales of goods and services, as specified as follows:

1. Sales prices policy

- Domestic sales prices are determined at weighted average of standard cost for all products plus margin not less than 20% or not less than 10%, which will be unanimously approved by the product pricing committee.
- Export sales price is dependent on market and competitive conditions of the particular country.

2. Royalty fee is payable annually at a proportion of sales.

3. Development fee is based on actual amount.

4. Technical service fee chargeable under technical service agreement with 5 years term and automatic rollover period of 5 years.

5. The Company entered into a rental agreement with an associate. The rental fee is based on the market value.

6. The Company has inventory management service fee with an associate. The service fee is based on the area used.

7. The Company entered into an agreement with various companies in the Mitsubishi Group to manage total funding of the Group by the use of pooling accounts. The Company may earn or pay interest, based on the surplus funds or the funds used, at the average deposit and loans interest rate offered by the bank.

8. Interest rates on short-term loans from or to related parties are determined based on the interest rate of the bank.

9. Warranty expense is based on actual amount of claims.

The significant transactions for the years ended 31 March 2009 and 2008 with related parties were as follows:

	Financial statements			
	in which the equity method is applied		Separate financial Statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	2,546,747	3,171,872	2,546,747	3,171,872
Other income	3,398	1,691	3,398	1,691
Royalty fee	145,766	163,231	145,766	163,231
Development fee	114,776	87,311	114,776	87,311
Warranty expense	203,436	147,709	203,436	147,709
Other selling and administrative expenses	4,952	6,559	4,952	6,559
Associate				
Revenue from sale of goods	99	224	99	224
Rental income	14,465	14,465	14,465	14,465
Other income	773	1,187	773	1,187
Rental expense	47,651	56,082	47,651	56,082
Other selling and administrative expenses	2,607	4,567	2,607	4,567
Other related parties				
Revenue from sale of goods	3,524,647	3,382,702	3,524,647	3,382,702
Dividend income	338,729	278,447	338,729	278,447
Other income	789	2,219	789	2,219
Warranty expense	1,563	1,405	1,563	1,405
Other selling and administrative expenses	29,733	30,510	29,733	30,510
Director remuneration	5,658	5,869	5,658	5,869
Interest expense	361	416	361	416

Balances as at 31 March 2009 and 2008 with related parties were as follows:

Trade accounts receivable	Financial statements in which the equity method is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
Parent		
Mitsubishi Electric Corporation	190,335	336,916
Other related parties		
Mitsubishi Electric Kang Yong Watana Co., Ltd.	393,229	352,533
Mitsubishi Electric Asia Pte. Ltd.	47,664	70,325
Mitsubishi Electric Ryoden Air - Conditioning & Visual Information Systems (Hong Kong) Ltd.	41,825	21,473
Mitsubishi Electric Australia Pty. Ltd.	24,554	19,287
Melco Sales Malaysia Sdn. Bhd.	13,787	20,105
Mitsubishi Electric Life Network Co., Ltd.	11,816	14,544
Mitsubishi Electric Taiwan Co., Ltd.	-	925
Others	1,024	271
Total	724,234	836,379
Bad and doubtful debts expenses for the year	-	-

<i>Other receivables from and short-term loans to</i>	Financial statements in which the equity method is applied and Separate financial statements			
	<i>interest rate</i>		<i>(in thousand Baht)</i>	
	2009	2008	2009	2008
Other receivables				
Accrued dividend income				
Other related parties				
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.			156,890	156,800
Siam Compressor Industry Co., Ltd.			11,227	7,377
			168,117	164,177
<i>Others</i>				
Parent				
Mitsubishi Electric Corporation			10,393	-
Other related party				
Smile Super Express Co., Ltd.			1,456	1,289
			11,849	1,289
Short-term loans				
Other related party				
Melco Thai Capital Co., Ltd.	2.29	2.80	10,287	16,551
Total			190,253	182,017

Movements during the years ended 31 March 2009 and 2008 of loans to related parties were as follows:

<i>Short-term loans to</i>	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
Other related party		
At 1 April	16,551	32,717
Increase	303,250	293,688
Decrease	(309,514)	(309,854)
At 31 March	10,287	16,551

<i>Trade accounts payable</i>	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
Other related parties		
Kulthorn Kirby Public Company Limited	33,145	35,920
Mitsubishi Electric Automation (Thailand) Co., Ltd	14,661	14,309
Setsuyo Athtech Co., Ltd.	9,111	12,608
Mitsubishi Electric Asia Pte. Ltd.	5,340	4,062
Thai Refrigeration Components Co., Ltd.	1,883	2,001
Mitsubishi Electric Trading Corp	541	463
Others	813	1,197
Total	65,494	70,560

<i>Other payables</i>	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
Parent		
Mitsubishi Electric Corporation	228,337	228,314
Associate		
Smile Super Express Co., Ltd.	3,956	5,401
Other related parties		
Mitsubishi Electric Kang Yong Watana Co., Ltd.	3,143	416
Others	2,399	394
Total	237,835	234,525

Significant agreements with related parties

Technical assistance agreement

The Company entered into agreements with Mitsubishi Electric Corporation (MELCO) whereby such company agreed to provide the Company the technical information and know-how of production. In consideration thereof, the Company agreed to pay royalty fee, development fee and technical assistance fee computed based on agreed formula to MELCO. The term of the agreements were for a period of five years and are automatically extended for a successive period of five year each unless either party notifies in writing to the other party any intention of termination at least six months prior to expiration of the agreements.

Rental agreement

The Company entered into a building rental agreement for its warehouse for finished goods with Smile Super Express Co., Ltd. for a period of two years expired on 31 July 2001 with rental rate as specified in the agreement. This agreement is renewed by either party notification in writing to the other party at least sixty days before expiration of this agreement. In June 2007, the Company notified to renew such agreement for a period of two years expiring on 31 July 2009.

Thai Baht Pooling Service Agreement

In May 2002, the Company entered into the Thai Baht Pooling Service Agreement with Melco Thai Capital Company LTD. (MTC) whereby MTC agreed to provide management service relating to Thai Baht current account of the Company. In consideration thereof, the company is committed to pay or earn the interest at the rate and method as specified in the agreement. There is no expiration of the agreement unless there are any cases complying with termination conditions as specified in the agreement.

5. Cash and cash equivalents

	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
Cash on hand	150	150
Cash at banks - savings and current accounts	13,579	20,002
Short-term investments - bill of exchange	1,350,000	730,000
Total	1,363,729	750,172

Cash and cash equivalents of the Company as at 31 March 2009 and 2008 were denominated entirely in Thai Baht.

6. Trade accounts receivable

	Note	Financial statements in which the equity method is applied and Separate financial statements	
		2009	2008
		<i>(in thousand Baht)</i>	
Related parties	4	724,234	836,379
Other parties		45,618	59,383
Total		769,852	895,762
Bad and doubtful debts expenses for the year		-	-

Aging analyses for trade accounts receivable were as follows:

	Note	Financial statements in which the equity method is applied and Separate financial statements	
		2009	2008
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		656,477	805,773
Overdue			
Less than 3 months		67,754	30,606
3 - 6 months		3	-
		724,234	836,379
Other related parties			
Within credit terms		45,563	59,383
Overdue			
Less than 3 months		9	-
6 - 12 months		46	-
		45,618	59,383
Total		769,852	895,762

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

The currency denomination of trade accounts receivable as at 31 March were as follows:

	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
Thai Baht	583,257	688,590
United States Dollars (USD)	174,779	192,628
Japan Yen (JPY)	11,816	14,544
Total	769,852	895,762

7. Inventories

	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	(in thousand Baht)	
Finished goods	151,130	201,648
Work in process	108,289	129,748
Raw materials and factory supplies	205,661	229,664
Goods in transit	8,087	8,999
	473,167	570,059
Less allowance for obsolete inventories	(8,061)	(11,460)
Net	465,106	558,599

8. Investments

8.1 Investment in associate

	Financial statements in which the equity method is applied		Separate financial statements	
	2009	2008	2009	2008
	(in thousand Baht)			
At 1 April	9,292	9,173	3,000	3,000
Share of profit (losses) of investment - equity method	(326)	119	-	-
At 31 March	8,966	9,292	3,000	3,000

As at 31 March 2009 and 2008, the financial statements in which the equity method is applied included the investments in shares of Smile Super Express Co., Ltd. accounted for using the equity method, which were computed based on the financial statements of such company for the years ended 31 March 2009 and 2008 which were audited by another auditor. Net book value of investments in associate accounted for using the equity method as at 31 March 2009 amounted to Baht 9.0 million (2008 : 9.3 million) and share of losses from investment accounted for using the equity method for the year ended 31 March 2009 amounted to Baht 0.3 million (2008 : share of profit of Baht 0.1 million). Investment in associate as at 31 March 2009 and 2008 were as follows:

Investee	Type of business	Financial statements in which the equity method is applied							
		Ownership interest		Paid-up capital		Cost method		Equity method	
		2009	2008	2009	2008	2009	2008	2009	2008
		(%)				(in thousand Baht)			
Smile Super Express Co., Ltd.	Logistic	33.33	33.33	9,000	9,000	3,000	3,000	8,966	9,292

Investee	Type of business	Separate financial statements					
		Ownership interest		Paid-up capital		Cost method	
		2009	2008	2009	2008	2009	2008
		(%)				(in thousand Baht)	
Smile Super Express Co., Ltd.	Logistic	33.33	33.33	9,000	9,000	3,000	3,000

8.2 Investments in other related parties

Financial statements in which the equity method is applied and Separate financial statements													
Investee	Type of business	Ownership interest		Paid-up capital		Cost method		Impairment		At Cost - net		Dividend income	
		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
		(%)											
		(in thousand Baht)											
Thai Refrigeration Components Co., Ltd.	Manufacturing of roll-bond evaporators	10.57	10.57	50,000	5,286	5,286	5,286	-	-	5,286	5,286	2,643	1,533
Mitsubishi Electric, Consumer Products (Thailand) Co., Ltd.	Manufacturing of air conditioners	10.00	10.00	1,200,000	1,200,000	120,000	120,000	-	-	120,000	120,000	315,140	266,650
Siam Compressor Industry Co., Ltd.	Manufacturing of compressors for air conditioners	2.00	2.00	1,603,800	1,603,800	32,076	32,076	-	-	32,076	32,076	19,566	10,264
D.S. Development Co., Ltd.	Real estate	18.18	18.18	55,000	55,000	10,000	10,000	(10,000)	(10,000)	-	-	-	-
Total						167,362	167,362	(10,000)	(10,000)	157,362	157,362	387,849	278,447

8.3 Other long-term investments

	Financial statements in which the equity method is applied and Separate financial statements			
	2009		2008	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
Marketable Securities Available-for-Sale				
Securities				
Kulthorn Kirby Public Co., Ltd.	4,965	2,742	3,862	5,517
City Sports and Recreation Public Co., Ltd.	300	248	300	300
	5,625	2,990	4,162	5,817
Add (less) Revaluation of investment	(2,275)	-	1,655	-
Total	2,990	2,990	5,817	5,817



9. Property, plant and equipment

	Financial statements in which the equity methods is applied and Separate financial statements							Total
	Land and improvement	Building and improvements	Machinery and equipment	Factory equipment	Office equipment	Vehicles	Assets under construction and installation	
	<i>(in thousand Baht)</i>							
Cost								
At 1 April 2007	160,517	657,168	1,057,124	2,048,289	93,966	9,000	12,813	4,038,877
Additions	-	195	6,293	23,491	4,027	-	60,094	94,100
Transfers	-	4,589	9,801	50,977	1,212	-	(66,579)	-
Disposals	-	(110)	(4,825)	(107,274)	(24,427)	(5)	-	(136,641)
At 31 March 2008 and 1 April 2008	160,517	661,842	1,068,393	2,015,483	74,778	8,995	6,328	3,996,336
Additions	2,656	323	1,055	14,720	6,486	-	51,413	76,653
Transfers	-	9,056	4,184	30,377	230	-	(43,847)	-
Disposals	-	(133)	(4,152)	(92,726)	(2,022)	(4,994)	-	(104,027)
At 31 March 2009	163,173	671,088	1,069,480	1,967,854	79,472	4,001	13,894	3,968,962
Accumulated depreciation								
At 1 April 2007	19,716	492,438	826,919	1,659,795	77,953	7,349	-	3,084,170
Depreciation charge for the year	-	33,180	57,416	155,828	5,091	782	-	252,297
Disposals	-	(110)	(688)	(100,402)	(24,253)	(5)	-	(125,458)
At 31 March 2008 and 1 April 2008	19,716	525,508	888,647	1,715,221	58,791	8,126	-	3,211,009
Depreciation charge for the year	89	27,094	39,052	127,602	5,751	380	-	199,968
Disposals	-	(132)	(3,669)	(79,348)	(1,812)	(4,992)	-	(89,953)
At 31 March 2009	19,805	552,470	919,030	1,768,475	62,730	3,514	-	3,321,024

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 March 2009 amounted to Baht 2,396.4 million (2008: Baht 2,096.0 million).

10. Other non-current assets

	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	(in thousand Baht)	
Refundable import duty	6,075	15,098
Refundable prepaid corporate income tax	16,270	16,177
Loan to employees	1,288	1,686
Others	2,479	1,909
Total	26,112	34,870

11. Trade accounts payable

	Note	Financial statements in which the equity methods is applied and Separate financial statements	
		2009	2008
		(in thousand Baht)	
Related parties	4	65,494	70,560
Other parties		507,588	720,592
Total		573,082	791,152

The currency denomination of trade accounts payable as at 31 December was as follows:

	2009	2008
	(in thousand Baht)	
Thai Baht (THB)	547,549	761,930
Japan Yen (JPY)	9,102	13,826
United States Dollars (USD)	16,320	15,333
Others	111	63
Total	573,082	791,152

12. Share capital

	Par value per share (in Baht)	2009		2008	
		Number (in thousand shares)	Baht (in thousand Baht)	Number (in thousand shares)	Baht (in thousand Baht)
Authorised					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
At 31 March					
- ordinary shares	10	22,000	220,000	22,000	220,000
Issued and fully paid					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
At 31 March					
- ordinary shares	10	22,000	220,000	22,000	220,000

13. 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.

Fair value changes

Fair value changes recognised in equity relate to cumulative net changes in the fair value of available-for-sale investments.

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.

14. Segment information

The Company operates in a single line of business, namely the manufacturing and selling of household electrical appliances, which is an integrated line of product. The Company’s operations are carried on entirely in Thailand. Revenue and gross profit for the years ended 31 March were derived from the following markets:

	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
<i>Segment revenue</i>		
Domestic	2,551,839	2,404,519
Export	3,765,595	4,417,331
Total	6,317,434	6,821,850
<i>Segment results (gross profit)</i>		
Domestic	357,762	294,828
Export	566,429	329,847
Total	924,191	624,675

15. Other income

	Financial statements in which the equity methods is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
Scrap sales	36,879	40,245
Building rent	14,465	14,465
Interest income	34,233	16,084
Reversal of allowance for impairment loss	21,701	207
Others	23,165	18,152
Total	130,443	89,153

16. Selling and administrative expenses

	Note	Financial statements in which the equity methods is applied and Separate financial statements	
		2009	2008
		(in thousand Baht)	
Selling and administrative expenses		360,518	357,830
Royalty expenses and development fee	4	260,543	250,542
Personnel expenses		131,053	138,087
Warranty expense	4	205,275	149,759
Depreciation expenses		11,497	12,510
Total		968,886	908,728

17. Personnel expenses

	Note	Financial statements in which the equity methods is applied and Separate financial statements	
		2009	2008
		(in thousand Baht)	
Wages and salary		255,306	284,547
Contribution to defined contributed plans		10,743	10,196
Others		80,332	78,597
Total		346,381	373,340

The provident fund presented under other non-current liabilities includes a provident fund which the Company had established prior to 2000. Contribution were made by employees' voluntarily at 3% of their monthly salaries and by the Company at rates ranging from 5% to 7% of salaries depending on length of service of employees.

Since 2001, the defined contribution plan comprises a provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rate of 3% of their basic salaries and by the Company at rates from 5% to 7% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

18. Income tax

No income tax was payable for 2008 and 2007 because of the utilisation of tax loss carry forwards.

19. Promotional privileges

By virtue of the provisions of the Industrial Investment Promotional Act B.E. 2520, the Company has been granted privileges by the Board of Investment relating to exemption from payment of import duty on imported machinery and raw material, etc.

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificates.

20. Basic earnings per share

The calculations of basic earnings per share for the years ended 31 March 2009 and 2008 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to equity holder of the Company (Basic)	426,438	69,240	426,764	69,121
No of ordinary shares outstanding	22,000	22,000	22,000	22,000
Earnings per share (Basic) (in Baht)	19.38	3.15	19.40	3.14

21. Dividends

At the annual general meeting of the shareholders of the Company held on 23 July 2008, the shareholders approved the appropriation of dividends of Baht 1.6 per share, amounting to Baht 35.2 million. The dividend was paid to shareholders during 2008.

At the annual general meeting of the shareholders of the Company held on 27 July 2007, the shareholders approved the appropriation of dividends of Baht 0.6 per share, amounting to Baht 12.3 million. The dividend was paid to shareholders during 2007

22. Financial instruments

Financial risk management policies

The Company 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 Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company 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 Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because interest rates are floating. However, the management believes that the Company has no material interest rate risk because the Company has insignificant borrowing and the maturity of deposits and other financial assets is short-term and interest is based on market rates.

The effective interest rates of deposits at financial institutions, current investments and short - term loans to as at 31 March and the periods in which the term of mature or re-price were as follows:

	Effective interest rate (% per annum)	Financial statements in which the equity method is applied and Separate financial statements
		Within 1 year (in thousand Baht)
2009		
Deposits at financial institutions -savings accounts	0.25	14,557
Short-term investments - bill of exchange	3.19	1,350,000
Short-term loans to related party	2.29	10,287
2008		
Deposits at financial institutions -savings accounts	0.50	21,326
Short-term investments - bill of exchange	2.88	730,000
Short-term loans to related party	2.80	16,551

Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales of goods which are denominated in foreign currencies. The Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the balance sheet date also relate to anticipated purchases of goods denominated in foreign currencies, for the subsequent period.

At 31 March, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Note	2009	2008
(in thousand Baht)			
United States Dollars			
Trade accounts receivable	6	174,779	192,628
Trade accounts payable	11	16,320	15,333
Other accounts payable		273	598
Japan Yen			
Trade accounts receivable	6	11,816	14,544
Trade accounts payable	11	9,102	13,826
Other accounts payable		82,446	64,486
Others			
Trade accounts payable	11	111	63
Other accounts payable		2,235	394
Gross balance sheet exposure		297,082	301,872
Currency forwards		35,575	177,178
Net exposure		261,507	124,694

At 31 March 2009 the Company had selling forward exchange contracts amounting to USD 1.0 million equivalent to Baht 35.6 million (31 March 2008: USD 5.5 million equivalent to Baht 177.2 million).

The terms of the agreements are not more than one month and the contracts will be terminated within April 2009. As at 31 March 2009, if the Company terminated the forward exchange contracts, it would have a gain of approximately Baht 0.02 million.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company 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 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. Management does not anticipate material losses from its debt collection.

Liquidity risk

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

Fair values

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.

The Company used the following methods and assumptions in estimating the fair values of financial instruments as follows:

The fair value of cash and cash equivalents, trade accounts receivable, receivables from and loans to related parties, investments in related parties, trade accounts payable and payables to related parties approximates their carrying value presented in the balance sheet.

The fair value of long-term investments representing available-for-sale securities is market value.

The fair value of investment in associate accounted for using the equity method is the net book value of the underlying net assets.

At 31 March 2009 and 2008 the carrying values of the Company's financial instruments are not significantly different from their fair value.

23. Commitments with non-related parties and others

	Financial statements in which the equity method is applied and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
Operating lease commitments		
Within one year	4,506	3,925
After one year but within five years	2,033	4,718
Total	6,539	8,643

The Company entered into several long-term lease agreements covering vehicles and having four year terms which will expire in various periods up to the year 2011. In consideration thereof, the Company is committed to pay rental fee at various annual rental rates as specified in the agreements.

24. Thai Accounting Standards (TAS) not yet adopted

The Company has not adopted the following revised TAS that have been issued as of the balance sheet date but are not yet effective. These revised TAS will become effective for financial periods beginning on or after 1 January 2009.

TAS 36 (revised 2007) *Impairment of Assets*

TAS 54 (revised 2007) *Non-current Assets Held for Sale and Discontinued Operations*

The adoption and initial application of these revised TAS is not expected to have any material impact on the Company's financial statements.

25. Reclassification of accounts

Certain accounts in the 2008 financial statements have been reclassified to conform to the presentation in the 2009 financial statements as follows.

	2008		
	Financial statements in which the equity method is applied and Separate financial statements		
	Before reclass.	Reclass (in thousand Baht)	After reclass.
Balance sheets			
Trade accounts receivable	1,016,123	(120,361)	895,762
Other current assets	40,530	11,733	52,263
Trade accounts payable	(899,778)	108,626	(791,152)

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business



Management

Management Structure

The company has one group of the director committee and 4 subcommittees detailed as follows:

1. The Board of Directors appointed by the resolution of the shareholders' meeting has the power and obligation to manage the company in accordance with objectives, article of association and resolution of the shareholders' meeting. There are 15 directors.

2. The Board of Executive Directors appointed by the Board of Directors has the power and obligation to manage the company, supervise the management's actions to be in line with specified policy and report to the Board of Directors. There are 4 directors.

The executive committee that has the authority to sign the name for the company is Mr. Praphad Phodhivorakhun or Mr. Supachai Setasathira accompanying with Mr. Sadahiro Tomita or Mr. Akira Kurishima and also seal the company stamp.

3. Audit Committee appointed by the Board of Directors, has the power of reviewing the sufficiency of the internal control system and the risk management system specified by the management, reviewing financial data, reviewing the compliance with laws, rules and regulations relevant to the company to ensure the good management systems and the loss protection. The audit committee shall report to the Board of Directors prior to reporting to the shareholders' meeting. The committee comprises 3 independent directors.

Remark: The resolution of the Special Board of Directors 3/2008 on March 30, 2009, appointed Mr. Komol Vongsthongsri, the Chairman of Audit Committee, who has adequate expertise and experience to review creditability of the financial reports.

4. Nomination and Remuneration Committee appointed by the Board of Directors, has roles and responsibilities to select the Board of Directors, the Board of Executive Directors and subcommittees' members, including setting the remuneration policy to the Board of Directors, the Board of Executive Directors and subcommittees' members to ensure the sound and proper remuneration.

5. Product Pricing Committee appointed by the the Board of Directors approved the resolution to change the structures for the Product Pricing Subcommittee to the Product Pricing Committee on February 11, 2009, has the duty to supervise the management, pricing the product sold to Mitsubishi Electric Kang Yong Watana Co., Ltd. (MKY) being in line with company's product pricing policy and the SET's and SET's request in average mark up rate on cost of 20% or not less than 10% the Product Pricing committee is responsible for approving the selling price change request submitted by the company. The decision must be unanimous. The detail of restructure as following: -

1) In order to make it in line with other working committee, name of the "Product Pricing Subcommittee" should be change to "Product Pricing Committee"

2) Restructuring of Product Pricing Committee

	Member	
	Old	New
<u>Group 1</u> Representative of interest parties	1	2
<u>Group 2</u> Representative of non – interest Parties in MKY	1	none
<u>Group 3</u> Independent Director	2	3

In summary, the restructure of committee are as follows:-

- Reduce group of committee from 3 groups to 2 groups
- Increase number of committee member from 4 to 5 persons

Committee member of new structure

Group 1 Representative of interest parties from KYE and MKY

Mr. Sadahiro	Tomita	Member
Mr. Akira	Kurishima	Member

Group 2 Independent Directors

Mr. Arthakrit	Visudtibhan	Chairman
Mr. Komol	Vongsthongsri	Member
Pol..Sub.Lt.Kriengsak	Lohachala	Member

The Company has 1 group of Director Committee and 4 Subcommittees detailed as follows :

Board of Directors	Board of Executive Directors	Audit Committee	Nomination and Remuneration Committee	Product Pricing Committee
1. Mr. Stapon Kavitanon Honorary Chairman 2. Mr. Praphad Phodhivorakhun Chairman of Board of Directors 3. Mr. Kotaro Hiraishi Vice Chairman (resigned since April 1, 2009) 4. Mr. Komol Vongsthongsri Director 5. Mr. Masato Tashiro Director 6. Mr. Supachai Setasathira Director 7. Mr. Akira Kurishima Director 8. Mr. Akira Nakamiechi Director 9. Mr. Yoshifumi Beppu Director 10. Mr. Shoichiro Hara Director 11. Pol.Sub.Lt. Kriengsak Lohachala Director 12. Mrs. Tipvimol Saengsuphan Director 13. Mr. Chackchai Panichapat Director 14. Mr. Arthakrit Visudtibhan Director 15. Mr. Udom Satiarnrapong Director @ Mr. Sadahiro Tomita	1. Mr. Praphad Phodhivorakhun Chairman of Executive Directors 2. Mr. Sadahiro Tomita Vice Chairman of Executive Directors 3. Mr. Supachai Setasathira Executive Director 4. Mr. Akira Kurishima Executive Director	1. Mr. Komol Vongsthongsri Chairman of Audit Committee 2. Mr. Chackchai Panichapat Audit Committee 3. Mr. Arthakrit Visudtibhan Audit Committee	1. Mr. Chackchai Panichapat Chairman of Nomination and Remuneration Committee 2. Mr. Praphad Phodhivorakhun Nomination and Remuneration Committee 3. Mr. Komol Vongsthongsri Nomination and Remuneration Committee	1. Mr. Arthakrit Visudtibhan Chairman of Product Pricing Committee 2. Mr. Sadahiro Tomita Product Pricing Committee 3. Mr. Akira Kurishima Product Pricing Committee 4. Pol.Sub.Lt. Kriengsak Lohachala Product Pricing Committee 5. Mr. Komol Vongsthongsri Product Pricing Committee

Remark :

1. @ means Mr. Sadahiro Tomita, the director was appointed as the directors and Vice Chairman since April 1, 2009 by the resolution of the Board of Directors, replacing Mr. Kotaro Hiraishi

2. Mr. Kritsana Chatchaivorawong, Manager of President Office Department, is a secretary of the Board of Directors since August 8, 2008

The Board of Directors have 15 persons.

- 1. Mr. Staporn Kavitanon** *Honorary Chairman*

Certification □ M.A (Econ) Vanderbilt University, U.S.A

Experience □ Secretary General, Office of the Board of Investment (BOI)
□ Honorary Chairman, Kang Yong Electric Public Company Limited
- 2. Mr. Praphad Phodhivorakhun** *Chairman of the Board of Directors / Chairman of the Board of Executive Directors*

Certification □ Business Management Sheffield College of Technology, England

Experience □ Master degree in Public Administration (MPA) and Master degree in Business Administration (MBA) Ramkhamhang University
□ Honorary Doctorate Degree in Business Administration Rajabhat University of Lampang
□ Director, Kulthorn Kirby Public Company Limited
□ Chairman of the Board of Directors, Mitsubishi Electric Kang Yong Watana Company Limited
□ Chairman of the Board of Directors, Yokohama Rubbers (Thailand) Company Limited
□ Chairman & Chairman of Executive Directors, Kang Yong Electric Public Company Limited
□ Independent Director, Polyplex Public Company Limited
□ Chairman of the Board of Directors, Siam City Leasing and Factoring Public Company Limited
□ Member of Nomination and Remuneration Committee, Kang Yong Electric Public Company Limited
- 3. Mr. Kotaro Hiraishi** *Vice Chairman of the Board of Directors / Vice Chairman of the Board of Executive Directors / President*

Certification □ Mechanical Engineering Saga University, Japan

Experience □ Executive Vice President, Mitsubishi Electric Consumer Products (Thailand) Co., Ltd
□ Executive Vice President, Mitsubishi Electric Air Conditioning Systems Europe Ltd.
□ President, Mitsubishi Electric Air Conditioning Systems Europe Ltd.
□ Vice Chairman of the Board of Directors / President / Vice Chairman of the Board of Executive Directors, Kang Yong Electric Public Company Limited
□ Product Pricing Committee, Kang Yong Electric Public Company Limited
- 4. Mr. Komol Vongsthongri** *Independent Director / Chairman of Audit Committee / Member of Product Pricing / Member of Nomination and Remuneration*

Certification □ Mechanical Engineering (Dipl. - Ing.) Germany

Experience □ Independent, Director Kang Yong Electric Public Company Limited
□ Chairman of Audit Committee, Kang Yong Electric Public Company Limited
□ Member of Product Pricing Committee, Kang Yong Electric Public Company Limited
□ Member of Nomination and Remuneration Committee, Kang Yong Electric Public Company Limited
- 5. Mr. Masato Tashiro** *Director*

Certification □ Economics Tohoku University, Japan

Experience □ General Manager, Home Appliance Division Living Environment & Digital Media Equipment Group
□ Director, Kang Yong Electric Public Company Limited
- 6. Mr. Supachai Setasathira** *Executive Director / Executive Vice President*

Certification □ Bachelor of Engineering Kasetsart University

Experience □ Master of Business Administration, National Institute of Development Administration (NIDA)
□ Production Division General Manager, Kang Yong Electric Public Company Limited
□ Executive Director / Executive Vice President, Kang Yong Electric Public Company Limited

- 7. Mr. Akira Kurishima** *Executive Director / Executive Vice President / Member of Product Pricing Committee*
Certification □ Keio University, Japan
Experience □ Manager, Home Appliance Division Living Environment & Digital Media Equipment Group Mitsubishi Electric Corporation, Japan
□ Executive Vice President, Kang Yong Electric Public Company Limited
□ Executive Director, Kang Yong Electric Public Company Limited
□ Member of Product Pricing Committee, Kang Yong Electric Public Company Limited
- 8. Mr. Akira Nakamichi** *Director / General Manager*
Certification □ B.A. in Engineering Tokyo Metropolitan University, Japan
Experience □ Section Manager, Quality Control Section Refrigerator Manufacturing Dept. Mitsubishi Electric Corporation
□ Section Manager, Manufacturing Control, Mitsubishi Electric Corporation
□ Deputy Manager, Refrigerator Dept. Mitsubishi Electric Corporation
□ Director/ General Manager, Kang Yong Electric Public Company Limited
- 9. Mr. Shoichiro Hara** *Director*
Certification □ B.A. in Engineering Tokyo University, Japan
Experience □ Senior Manager, Mitsubishi Electric Corporation Manufacturing Engineering Center
□ General Manager, Mitsubishi Electric Corporation Shizuoka works
□ Director, Kang Yong Electric Public Company Limited
- 10. Mr. Yoshifumi Beppu** *Director*
Certification □ B.A. in Economics Keio University, Japan
Experience □ Deputy General Manager Global Strategic Marketing & Operation Division, Mitsubishi Electric Corporation
□ Managing Director, Mitsubishi Electric Asia Pte.Ltd.
□ Director, Kang Yong Electric Public Company Limited
- 11. Pol.Sub.Lt Kriengsak Lohachala** *Independent Director / Member of Product Pricing Committee*
Certification □ Master of Public Administration Kent State University, U.S.A.
Experience □ Managing Board Member of the National Olympic Committee of Thailand
□ Director, Kang Yong Electric Public Company Limited
□ Chairman of the Board of Director, Mass Rapid Transit Authority of Thailand (MRTA)
□ Member of Product Pricing Committee, Kang Yong Electric Public Company Limited
- 12. Mrs. Tipvimol Saengsuphan** *Director*
Certification □ Bachelor of Accounting Thammasat University
Experience □ Administration Department Manager, Kang Yong Co., Ltd.
□ Director, Nitto Seiko Co., Ltd.
□ Director, Kang Yong Electric Public Company Limited
- 13. Mr. Chackchai Panichapat** *Independent Director / Audit Committee / Chairman of Nomination and Remuneration Committee*
Certification □ Master Degree in Electrical Engineering University of Texas Austin, Texas, USA.
Experience □ Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee, City Sports and Recreation Public Company Limited
□ Independent Director, City Sports and Recreation Public Company Limited
□ Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee, Central Pattana Public Company Limited
□ Director / Executive Director, Amata Corporation Public Company Limited
□ Independent Director / Advisory Board Member, Saha Union Public Company Limited
□ Chairman of the Board of Directors, Magnecomp Precision Technology Public Company Limited
□ Audit Committee / Independent Director, Kang Yong Electric Public Company Limited
□ Chairman of Nomination and Remuneration Committee, Kang Yong Electric Public Company Limited

- 14. Mr. Arthakrit Visudtibhan** *Independent Director / Audit Committee / Chairman of Product Pricing Committee*
- Certification* □ Master of Public Administration University of Southern California, U.S.A
- Experience* □ Human Resources Director, Serm Suk Public Company Limited
- Director of Audit Committee, Kang Yong Electric Public Company Limited
- Chairman of Product Pricing Committee, Kang Yong Electric Public Company Limited
- 15. Mr. Udom Satianrapong** *Director*
- Certification* □ Master of Business Administration Thammasat University
- Experience* □ Director, Kang Yong Electric Public Company Limited
- President, Kang Yong Gasse Technology Company Limited

The top management officers compose of 24 persons as follows:

- | | | | |
|-----|---------------|-------------------|---|
| 1. | Mr. Praphad | Phodhivorakhun | Chairman |
| 2. | Mr. Kotaro | Hiraishi | Vice Chairman and President |
| | Mr. Sadahiro | Tomita | (Replace this position since April 1, 2009) |
| 3. | Mr. Supachai | Setasathira | Executive Director and Executive Vice President |
| 4. | Mr. Akira | Kurishima | Executive Director and Executive Vice President |
| 5. | Mr. Akira | Nakamichi | General Manager |
| 6. | Mr. Anucha | Pralongkij | General Administration Department Manager |
| 7. | Mr. Somboon | Choonhavan | Deputy General Administration Department Manager |
| 8. | Mr. Hitoshi | Otake | Purchase Department Manager |
| 9. | Mr. Kritsana | Chatchaivorawong | President Office Department Manager |
| 10. | Mr. Toshiyuki | Iizuka | Marketing Department Manager |
| 11. | Mr. Takashi | Sato | Marketing Deputy Department Manager |
| 12. | Ms. Pojana | Tinnaworn | Finance Department Manager |
| 13. | Mr. Aniwat | Saelim | Finance Deputy Department Manager |
| 14. | Mr. Suppasak | Hirunpornpithak | Safety and Environmental Department Manager |
| 15. | Mr. Atakrit | Siwasarit | Fan and Water Pump Production Department Manager |
| 16. | Mr. Pensak | Plavuthithothai | Fan and Water Pump Production Deputy Department Manager |
| 17. | Mr. Artit | Manubrud | Fan and Water Pump Production Deputy Department Manager |
| 18. | Mr. Sinchai | Kowitwatanapaisal | Refrigerator Production Department Manager |
| 19. | Mr. Nirundorn | Pangma | Refrigerator Production Deputy Department Manager |
| 20. | Mr. Takashi | Michihashi | Refrigerator Production Deputy Department Manager |
| 21. | Mr. Mongkol | Kuratana | Quality Assurance and Production Engineering Department Manager and Acting Tool and Plastic Production Department Manager |
| 22. | Mr. Mongkol | Thadtayatikom | Quality Assurance and Production Engineering Deputy Department Manager |
| 23. | Mr. Vinij | Phromma | Tool and Plastic Production Deputy Department Manager |
| 24. | Mr. Hideaki | Miyakawa | Cost Reduction Project Manager |

The Selection of the Board of Directors and Management Selection of the Board of Directors

1. The director shall be elected by the resolution of the shareholders' meeting according to criteria and procedures as follows :

(1) One shareholder has one vote per share hold by him.

(2) The voting in the election of directors may be done on the basis of either one person after another or several persons altogether to the total number of directors to be elected on that occasion according the meeting resolution. In voting, whether the election is one for one person after another or several persons altogether, each person voted for by a shareholder will receive the votes from the shareholder according to the total number of votes of the shareholder according (1). The said shareholder is not permitted to divide however many or few of his/ her votes for any person.

(3) The persons receiving the highest number of votes in a descending order are elected directors in the same number as that of directors that should be available or elected on that occasion. In the case that persons elected in the descending order have equal votes, exceeding the number of directors that should be available or elected on that occasion, the Chairman shall use the casting vote.

2. In case any vacancy occurs for any reasons further than by the retirement of the Directors by rotation, the Board of Directors shall elect a person who possesses qualification and is not disqualified under Section 68 of the Public Company Limited act of 1992 as amended in 2001 to fill in such vacancy and be the director in the next meeting of the Board of Directors. A resolution of the Board of Directors shall be supported by not less than three-fourths of remaining directors' votes. Accordingly, the selection of the persons qualifying to be the company's directors shall be approved by the Nomination and Remuneration Committee prior to proposing to the meeting.

The Selection of Board of Executive Directors

● The Board of Directors shall have the power to appoint 4 directors as members of the Board of Executive Directors who has the power and obligation to manage the company on behalf of the Board of Directors.

● The Board of Executive Directors consists of 1 Chairman, 1 Vice Chairman, and 2 members.

The Selection of Audit Committee

● The Board of Directors shall have the power to appoint 3 independent directors as members of the audit committee. This committee has a duty, specified in the charter of the Audit Committee, to ensure the good corporate governance. The committee will be positioned for the 3 year period.

● The Audit Committee comprises 1 Chairman, who has adequate expertise and experience to review creditability of the financial reports and 2 members. The President Office Department Manager responsible for the internal audit is a Secretary of the Committee.



The Selection of Nomination and Remuneration Committee

● The Board of Directors appoints 3 directors, who have knowledge, experience and understanding regarding the payroll and remuneration systems, as members of the Nomination and Remuneration Committee. The Committee will be positioned for the 3 year period. The Secretary of the Committee is the Finance Department Manager. Its responsibilities are as follow :

1) Shall determining the policy, criteria and mean relevant to the Nomination, Remuneration, and other benefits for the Board, Executive Directors, and subcommittees. The criteria shall be clear and transparent that be proposed to the board for approval.

2) Shall nominate the qualified candidate to sit on any positions such as the Board of Director, Executive Director, and subcommittees and propose to the Board of Director for approval.

3) Shall review and appropriate composition of the Board, Executive Director, and subcommittees in accordance for determination of the proper remuneration to duties and responsibilities that will be proposed to the Board for approval.

4) Shall review the Nomination and Remuneration Committee's Charter in accordance with the regulation of SET. and SEC.

5) Shall perform any other assignments to the Board involving the Nomination and Remuneration of Director.

The Nomination and Remuneration Committee comprises 1 Chairman, and 2 members.

The Selection of Product Pricing Committee

● The Board of Directors appoints 5 directors as members of Product Pricing Committee. This Committee has a duty to approve the price setting between the company and Mitsubishi Electric Kang Yong Watana Co., Ltd. the major domestic distributor. The members are the representatives of 2 shareholder groups as follows :

- 2 directors representing the interested parties in Kang Yong Electric PCL., and Mitsubishi Electric Kang Yong Watana Co., Ltd.

- 3 independent directors

The Finance Department Manager responsible for the internal audit is a secretary of the committee. Its responsibilities are as follow :

1) To supervise the management, pricing the product sold to MKY being line with company's product pricing policy and the SEC's and SET's request, which result in average mark up rate on cost of 20% mean that:

For the selling price changes , which result in an average mark up rate on cost

Above the agreed mark up rate on cost 20%, the product pricing committee is responsible for signing the repots prepared by the company in acknowledgement of the selling price change.

2) For the selling price changes , which results in an average mark up on cost

Below the agreed mark rates on cost of 20% but NOT LESS THAN 10% the Product Pricing Committee is responsible for approving the selling price change request submitted by the company, The decision must be unanimous.

3) The aforesaid, the product pricing policy the company's management in good faith and assert carefully of company.

● The Product Pricing Committee comprises 1 Chairman, and 4 members.

Remark The company considers the qualification of independent directors by taking account of Stock Exchange of Thailand's regulation involving independent director qualification.

Remuneration for Management

The Company has 15 directors and 24 management persons. 5 of management persons are appointed the company's executive directors. The company pay the remunerations as follows :

Directors' remunerations

During April 2008 -March 2009, details of the directors' remunerations are as follow :

Directors	Position	Committee					Remuneration 2008 (Baht)
		BOD	EDC	A/C	P/P	N/R	
1. Mr. Staporn Kavitanon	Honorary Chairman	✓				✓	384,000.00
2. Mr. Praphad Phodhivorakhun	Chairman of the Board of Directors	✓	✓			✓	884,000.00
3. Mr. Kotaro Hiraishi	Vice Chairman	✓	✓		✓		621,000.00
4. Mr. Komol Vongsthongsri	Independent Director *	✓		✓	✓	✓	1,188,000.00
5. Mr. Masato Tashiro	Director	✓					272,000.00
6. Mr. Supachai Setasathira	Director	✓	✓				438,000.00
7. Mr. Akira Kurishima	Director	✓	✓		✓		460,000.00
8. Mr. Akira Nakamichi	Director	✓					68,000.00
9. Mr. Shoichiro Hara	Director	✓					172,000.00
10. Mr. Yoshifumi Beppu	Director	✓					196,000.00
11. Pol.Sub.Lt.Kriengsak Lohachala	Independent Director *	✓			✓		440,000.00
12. Mrs. Tipvimol Saengsuphan	Director	✓					368,000.00
13. Mr. Chackchai Panichapat	Independent Director *	✓		✓		✓	1,047,000.00
14. Mr. Arthakrit Visudtibhan	Independent Director *	✓		✓	✓		772,000.00
15. Mr. Udom Satianrapapong	Director	✓					363,000.00
@ ¹ Mr. Takashi Fujii	Director	✓					100,000.00
@ ² Mr. Hiroyuki Umemura	Director	✓					100,000.00
@ ³ Mr. Yasuhiro Yoshino	Director	✓					285,000.00
Total							8,158,000.00

Remark :

1. @¹ means Mr. Takashi Fujii who has resigned from the Board of Directors since May 23, 2008 by the resolution of the Board of Directors appointed Mr. Yoshifumi Beppu as the director had effective May 23, 2008

2. @² means Mr. Hiroyuki Umemura who was resigned from the Board of Directors since May 23, 2008 by the resolution of the Board of Directors appointed Mr. Shoichiro Hara as the director had effective May 23, 2008

3. @³ means Mr. Yasuhiro Yoshino who has resigned from the Board of Directors since December 16, 2008 by the resolution of the Board of Directors appointed Mr. Akira Nakamichi as the director since February 11, 2009

4. * means the committees who are independent directors.

BOD = The Board of Directors

EDC = The Board of Executive Directors

A / C = Audit Committee

N / R = Nomination and Remuneration Committee

P / P = Product Pricing Committee

Management's Remuneration

During April 2008 - March 2009, the remunerations for 24 managements are as follow :

Remuneration for the Board of Directors

Item	No.	Baht
● Remunerations i.e. salary and bonus	4	14,956,000

Remuneration for the Management

Item	No.	Baht
● Remunerations i.e. salary, bonus and Provident funds	21	27,068,925

Report on Good Corporate Governance

The company has truly committed to operate the business on fair, transparent, and verifiable basis under the surveillance of the Board of Directors. The company has policy and direction in performance that has focused on the control and internal audit, regulated the administrative party to undertake the activities to achieve the company's objectives and goals effectively under the provision of law and the Code of Conduct. In 2008, the company has proceeded on regulating the company as follows;

1. Right of Shareholders

The company is aware of the right of the shareholders in access to the company's information adequately, timely and equitably. To achieve this, the company has provided the meeting so that all shareholders can participate in the meeting and exercise their right equitably. In case that any shareholder is unable to attend the meeting by himself, he can assign other or independent committee as his proxy to attend the meeting and passing the resolution in his place. In addition, the company's information has been publicized through a channel of SCP Client of the Stock Exchange of Thailand (SET).

The meeting notice and an adequate amount of information enclosed have been mailed by the company to the shareholders in advance as required by law. It also contains the important information on topic presented, reasons and necessity, and the Board's consent. In 2008, the company conducted a shareholder's meeting on Wednesday 23rd July, 2008 to let the shareholder consider, express and vote in the meeting properly. In the meeting, there were the audit committees, subcommittee, certified auditors, and company's executive joining the meeting to respond the questions and enquires raised by shareholders equitably.

2. Equitable treatment of Shareholders

To ensure of the non-discrimination of all shareholders in the meeting of the shareholders, the company has assigned three independent committees to act as stakeholders' proxy, through the use of the Power of Attorney Form A (assigning other to act on your behalf) and Power of Attorney Form B (voting is allowed at each agenda).

In addition, the shareholders' annual general meeting 2009 on July 2009, the company give the opportunity to the minor shareholders to propose their requirement for the agenda and nominate the directors. The shareholders can suggest the request at information@kyc.meap.com or facsimile or registered mail to the company. The time to propose from April 7-27, 2009, which the company had informed these following topics and details to the Stock Exchange of Thailand.

3. Stakeholder's role and responsibility

The company is aware of the significance of all the shareholders and stakeholders' right internally and externally, ranging from clients, shareholder, employee, and social and public environment under the Corporate Good Governance which has been applied as guideline by the company to perform the operation and regarded as the most crucial concern for all. The meetings held by the company included shareholder meeting, client meeting, vendor meeting. This is to build the good relationship in fair negotiation. Also, the company jointed the meeting with Corporate Labor Union so that the stakeholders and other concerned people shall be treated fairly as well building goodwill relation and benefit with all interest groups.

4. Disclosure and Transparency

The company's disclosure policy has been carried out in accordance with the Stock Exchange of Thailand Requirement, for examples, financial reporting, change in the committees, connected transactions approval, etc. through the SCP Client of the Stock Exchange of Thailand after completion of any meeting of the Board of Director or any meeting of shareholders, and has been already publicized in the Annual Report (TYPE 56-2) and Annual Transaction Manifestation 2008 (TYPE 56-1)

5. Board of Directors' Responsibility

The company's Code of Conduct has abided the philosophy on business operation criteria where the corporate social responsibility has been emphasized crucially by encouraging the members of the Board, executive and all employees perform their function and duty under eight sections of the Code of Conduct, for examples; compliance with law, respect for human right, social benefit creation, community unity building, participation in environment problem-solving, and conscious awareness of the operator's responsibility, promote the liaison among the stakeholders, conflict of interest management, provide the strict control and proceed on operating transparently and fairly.

Of fifteen members of the Board, the company currently has five independent committees in accordance with the Good Corporate Governance. At least one third of the Board of Directors are the independent committees, it can ensure that the right and benefits shall be overseen thoroughly to protect the company's interest fully. In addition, internal tradeoff in the Board structure, namely, 10 non-executive committees is designated greater than 5 executive committees in order that the non-executive committees can express their opinion independently and contemplate other matters in the meeting of the Board of Director fully.

The company has separately divided power and duty and authority of the individuals between chairman and managing director to allow the tradeoff each other. The company has also set up the Executive Committees to consider the important matters thoughtfully to maximize the company's benefits.

In 2008, the company conducted 7 meeting of the Board of Directors, and other sub-meetings, for examples, 4 meeting of the audit committees, 2 meeting of the nomination and remuneration committee and 1 meeting of the Pricing Committee. The Board of Executive Directors have convened 2 meeting monthly to ensure the company's effective performance. Majority of the committees have joined the meeting regularly. Below is detail on individual committee's attendance.

Director		Number of attendance / Total number of Meeting					Total
		BOD	SPC.BOD	A/C	N/R	P/P	
1. Mr. Staporn	Kavitanon	1/4	2/3				3/7
2. Mr. Praphad	Phodhivorakhun	4/4	3/3		4/4		11/11
3. Mr. Kotaro	Hiraishi	4/4	3/3				7/7
4. Mr. Komol	Vongsthongsri	4/4	3/3	4/4	4/4	1/1	16/16
5. Mr. Masato	Tashiro*	2/4	1/3				3/7
6. Mr. Supachai	Setasathira	4/4	3/3				7/7
7. Mr. Akira	Kurishima	4/4	3/3			1/1	8/8
8. Mr. Akira	Nakamichi	1/1	1/1				2/2
9. Mr. Shoichiro	Hara*	3/4	0/3				3/7
10. Mr. Yoshifumi	Beppu*	3/4	2/3				5/7
11. Pol.Sub.Lt. Kriengsak	Lohachala	4/4	3/3			1/1	8/8
12. Mrs. Tipvimol	Saengsuphan	4/4	3/3				7/7
13. Mr. Chackchai	Panichapat	4/4	1/3	4/4	4/4		13/15
14. Mr. Arthakrit	Visudtibhan	4/4	3/3	4/4		1/1	12/12
15. Mr. Udom	Satianrapapong	4/4	3/3				7/7
@Mr. Yasuhiro	Yoshino	3/3	2/2				5/5

Remark 1. @ means Mr. Yasuhiro Yoshino who has resigned from the Board of Directors since December 16, 2008 by the resolution of the Board of Directors appointed Mr. Akira Nakamichi as the director had effective February 11, 2009

2. * means the director who resides in foreign countries.

3. The meaning of meeting of each committee

BOD = The Board of Directors

SPC.BOD = Special meeting of the Board of Directors

A / C = Audit Committee

N / R = Nomination and Remuneration Committee

P / P = Product Pricing Committee

Internal Data Usage

The company puts in place safety measures to protect important data related to the company businesses, not only confidential data but also other important data relevant, and prevent the management or any section obtaining internal data not to disclose such data to external parties or persons not involving with the company's business, except the authorized top management. Such measures can protect a person who seeks for his/ her own benefits or relative's benefits from internal data usage.

Manpower

As of 31 March 2009, the company has 1,109 permanent employees detailed as follows:

Permanent manpower at production	976	persons
Permanent manpower at administration and supports production	133	persons

Remuneration for Employee

In the fiscal year 2008, the total remuneration was 346.38 million baht that included salary, wages, overtime and bonus. In addition, the Company has provided welfare for employees such as provident funds, medical expenses, traveling expenses and lunch expenses, etc

Employee Development Policy

The Company Policy to emphasize employee development by set up training to all employees both of internal and external. The Processing of Training level would be more and continues. Starting from survey to all Departments and management for which items they need and then separated for company total views. After that explained to each priority group of current and future job administration. We have checked from last year training record for most prefer because of we need to develop internal training plan and set up trainer who will suitable to join the training.

The External training course, Company will assign to be suitable person under the condition of budget in each department. All of these we need to improve total views to be stable training system. Many projects we need to start for get the target efficiency of organization.



Risk Factor

1. Marketing and Competition Situation Risks

1.1 Overall, global economic has been in depression and declined growth direction. These resulted in behavior changing among the consumers. Likewise, the growth and demand of electric appliances has been declined. Despite the conduction of economic stimulation policy over countries, the downturn of economics and consumption has been continued, resulting in the risk of export trading.

1.2 The fluctuation of domestic economic and politic uncertainly have been emerging, adversely resulting in depressive spending and consumption, and having greater risks at domestic sales.

1.3 Because of the risk on price fluctuation in raw material, fuel price has negatively affected the increased production cost. In particular, the trend of plastic and cooper, price has been higher, resulting in the price competition capability has been reduced.

2. Financial Risks

2.1 The foreign exchange rate risks relate with sale, payment for raw material, machine, and other equipments that are denominated in foreign currencies. The Company primarily utilizes forward exchange rate contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies.

2.2 Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because interest rates are floating. However, the management believes that the Company has no material interest rate risk because the Company has insignificant borrowing and the maturity of deposits and other financial assets is short-term and interest is based on market rates.

2.3 Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Company as and when they fall due that may eventually cause financial losses. Accordingly, the company has established a risk management policy to protect such risks through analyzing the customer and counter party's financial status by setting rules for the credit approval and the debt collection period.

The company's loans mean the credits granted to customers who purchase the products according to the ordinary course of businesses, and regular loan for employees.

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

3. Legal risks

During late 2008 to early 2009, there is a number of newly established legislation that has been enacted, for examples, Stock Exchange Act and Stock Exchange of Thailand, Labor Protection Law, and Product Safety Requirement, and so on. The company provides the responsible work units to monitor and follow-up the compliance, including that reporting has been forwarded to the top executives, as well as an action in accordance with laws and regulations have been responded.



Internal Control

The company realizes the management roles, the supervision of internal control system, and risk management at the same time so the company's operations or performance will be efficient and effective according to the company's Board of Directors and shareholders' policy, regulation, and resolution. In addition, the company also strictly complies with related laws, notifications, and rules.

Regarding the company's internal control, the Executive Board and the management in every level will identify the company's annual policy, objective, and financial target for departmental level. Such aforementioned will be explained to the employee so they can apply and help the company's achieve its goals. The company also has the monitoring system under the format of various levels of meetings ranging from weekly, monthly, quarterly, and semiannually meeting. Such meeting is operational report and explanation, or order from executives in order for the company's operations to achieve its goals and objectives.

The company has the section responsible for internal audit. Such section is independent and responsible for auditing and monitoring the performance of other sections regarding the internal control system, the compliance with related laws and regulations. The section will follow the annual Audit plan, the corrective action plan after auditing, and the special audit plan approved by the Audit Committee. The audit report will be proposed to the Executive Board and, directly, to the Audit Committee for information and consideration. In addition, the unit also acts as the secretarial section of the Audit Committee by reporting the emergency cases to the Audit Committee and the committee will give some opinions and recommendation for the improvement to the company or management further. Moreover, the section will also proposes the company's performance report and the audit report in significant issues such as financial statement and connected transactions occurred during that period to the board of directors' meeting quarterly for information and consideration. Therefore, it is confident that the company possesses sufficient internal control system according to the good corporate governance policy.

The Audit Committee will do review quarterly and monthly financial statement and connected transactions that have already been proposed to the company's management after audited by the auditor. In addition, the report from the Audit Committee will be reported in the Board of Directors' meeting quarterly for information and consideration.

In addition, the company identifies the methods to open the opportunity for the company's stakeholders to inform the hint or clue witnessed from the incident or behaviors that may result in the violation of laws, regulations, rules and / or conflict with the moral principles and ethics, and such aforementioned will lead to the overall company's damage. The company identifies and publicly informs the guidelines as follows :

The witness of the aforementioned incident or behaviors should collect the information, hint, clue, and evidence to confirm the fact as much as possible, and inform the company directly by sending the documents to the following address.

To The Chairman of the Board of Directors or The President
Kang Yong Electric Public Company Limited
P.O. Box 49, Bangna Tower 10541

The Chairman of the Board of Directors or President will receive such information directly and will regard it as the strictly confidential information in order to protect the impact on the witness, and will fairly perform by referring to the information received and the proof for further decision and proper management.

In order to demonstrate the sincerity of the witness and to verify that such information is true, the witness should mention his or her name, surname, and address so the company may request for some additional information (if necessary).

The company is confident that from various measures above mentioned, the company should possess good and efficient internal control system according to the good corporate governance policy.

Connected Transactions

Year 2008 and 2007 The company had Connected Transaction with Related Persons as follows :

Connected Persons	Relationship	Categories	Value of Transaction (Million Baht)		Audit Committee's Comments
			March 31, 2009	March 31, 2008	
1. Melco Thai Capital Co., Ltd. (MTC)	A subsidiary of the major shareholder : Mitsubishi Electric Corporation holding 192,994 shares or 99.99%	1. Deposit at interest rate 2.55 - 3.55% / year - Deposit - Interest	10.29 2.29	16.55 1.86	This item is about the Notification of the Stock Exchange of Thailand regarding Disclosure of information and other Acts of listed companies. Concerning the connected transactions 2003 and revised 2004, type of connected transactions relating to financial assistance transactions. So, the company seeks for approval from the Board of Directors and discloses a resolutions with information to SET and the directors who are involved personally are not present in the meeting and bears no right to vote in the meeting. The Audit Committee approved the related transactions relating to the short-term loan and loan receivables from related companies for cash flow liquidity and cost down in financial purposes. The lower bank interest rate benefits the company.
2. Smile Super Express Co., Ltd. (SSE) : Logistics services for finished goods	Associated company which the company holds 33.33% of shares	1. Building rental for SSE including electric charge and water charge 2. The company pays storage, handling & transportation charge for SSE	15.24 (Trade accounts receivable of building rental totally 1.45 M.B)	15.31 (Trade accounts receivable of building rental totally 1.29 M.B) 60.65 (Trade accounts payables of storage, handling & transportation charge totally 5.40 M.B)	The company leases SSE land and buildings premises as the purpose of assets management. Eventually, KYE outsource SSE to manage and store products by utilizing land and buildings as finished goods warehouse. Out sourcing to SSE results in reducing warehouses administration cost less than other companies.

Connected Persons	Relationship	Categories	Value of Transaction (Million Baht)		Audit Committee's Comments
			March 31, 2009	March 31, 2008	
3. Mitsubishi Electric Corporation (MELCO)	The Major shareholder holds 8,978,020 shares or 40.81%	1. The Company sells the products and parts to MELCO	2,547 (Trade accounts receivable of products totally 190.34 M.B)	3,172 (Trade accounts receivable of products totally 336.92 MB)	
		2. The company buys electronic parts of electric fans and refrigerations from MELCO	8.40 (Trade account receivable of product totally 0.38 M.B)	6.85 (Trade account receivable of product totally 0.86 M.B)	
		3. The company pays for Technical Services Fee, and After Sale Services (as a Technical Services & After-Sales Services Agreement)	354.16 (Account expenses totally 195 M.B)	317.50 (Account expenses totally 187.94 M.B)	
		4. The company pays for Product Development Fee (as a Technical Service & After-Sale Services Agreement)	114.78 (Account expenses totally 33.32 M.B)	87.31 (Account expenses totally 40.37 M.B)	Research and development are an important factor for the business operations and the company is not ready for self development in high technology products. Therefore, the company relies on her research and development works on MELCO under "Mitsubishi" trademark. As a result, the research and development transactions payables to MELCO, who owns the technology and trademark, is considered reasonable.
4. Thai Refrigeration Components Co., Ltd. (TRC)	Common director is Mr.Praphad Phodhivorakhun	1. The company buys evaporators as components part for refrigerators	32.34 (Accounts payable balance totally 2.05 M.B)	34.41 (Accounts payable balance totally 2.04 M.B)	

Connected Persons	Relationship	Categories	Value of Transaction (Million Baht)		Audit Committee's Comments
			March 31, 2009	March 31, 2008	
5. Mitsubishi Electric Kang Yong Watana Co., Ltd. (MKY)	An associated company of the company's major shareholder and common director is Mr.Praphad Phodhivorakhun and Mrs. Tipvimol Saengsuphan and MELCO holds 48.5% of MKY shares	1. The company sells the products such as electric fans, exhaust fans, refrigerators, water pumps and parts to MKY	2,541.79 (Accounts receivable balance totally 393.23 M.B)	2,392.13 (Accounts receivable balance totally 352.53 M.B)	
		2. The company buys air conditioner from MKY	2.28	-	The company has necessary to change the air conditioners at main office and used "Mitsubishi" trade mark for good image. The company has compared specification and feature with other brands that is reasonable transaction.
		3. The company pays for sells support to MKY	7.60 (Accounts payables balance totally 2.78 M.B)	8.88 (Accounts payables balance totally 0.11 M.B)	
6. Mitsubishi Electric Life Network Corporation Ltd. (MSB-LN)	A subsidiary of the company's major shareholder residing in Japan	1. The company sells the electric fans and exhaust fans to MSB.LN	158.83 (Accounts receivable balance totally 11.82 M.B)	135.62 (Accounts receivable balance totally 14.54 M.B)	
		2. The company pays for After-Sale Services and Sales Support	1.95 (Accounts payables balance totally 0.11 M.B)	1.47	
7. Mitsubishi Electric Taiwan Co., Ltd. (MSB Taiwan)	A subsidiary of the company's major shareholder. The head office is in Taiwan	The company sells the products such as electric fans, exhaust fans, refrigerators, and parts to MSB Taiwan	-	43.82 (Accounts receivable totally 0.92 M.B)	

Connected Persons	Relationship	Categories	Value of Transaction (Million Baht)		Audit Committee's Comments
			March 31, 2009	March 31, 2008	
8. Mitsubishi Electric Asia Pte.Ltd. (MEAP)	A subsidiary of the company's major shareholder. The head office is in Singapore	<p>1. The company sells the products such as electric fans, exhaust fans, refrigerators, and parts to MEAP.</p> <p>2. The company buys the electric parts of electric fans and refrigerators</p>	<p>353.62 (Accounts receivable totally 47.66 M.B)</p> <p>30.76 (Accounts payables totally 5.34 M.B)</p>	<p>357.43 (Accounts receivable totally 70.32 M.B)</p> <p>30.60 (Accounts payables totally 4.06 M.B)</p>	
9. Mitsubishi Electric Australia PTY. Ltd. (MSB Australia)	A subsidiary of the company's major shareholder. The head office is in Australia	The company sells the products such as refrigerator and parts to MSB. Australia.	139.32 (Accounts receivable totally 24.55 M.B)	187.58 (Accounts receivable totally 19.29 M.B)	
10. Mitsubishi Electric Ryoden Air – Conditioning & Visual Information Systems (Hong Kong) Ltd. (MLH)	A subsidiary of the company's major shareholder. The head office is in Hong Kong	The company sells the products such as electric fans, exhaust fans, refrigerators and parts to MLH	200.03 (Accounts receivable totally 41.83 M.B)	162.92 (Accounts receivable totally 21.47 M.B)	
11. Melco Sales Malaysia Sdn.Bhd. (Previous name Antah Melco Sales & Services Sdn Bhd.)	A subsidiary of the company's major shareholder. The head office is in Malaysia	The company sells the products such as electric fans, exhaust fans, refrigerators and parts to Melco Sales Malaysia Sdn. Bhd	103.10 (Accounts receivable totally 13.79 M.B)	91.80 (Accounts receivable totally 20.11 M.B)	

Connected Persons	Relationship	Categories	Value of Transaction (Million Baht)		Audit Committee's Comments
			March 31, 2009	March 31, 2008	
12. K.G.M Services Co., Ltd. (KGM) : Logistic Services	A subsidiary of the company's major shareholder	The company pays the logistics expense to KGM	0.01	0.84 (Accounts payables totally 0.23 M.B)	_____
13. Melco Logistic (Thailand) Co., Ltd. : Logistic Services	A subsidiary of the company's major shareholder	The company pays the logistics expense to Melco Logistic (Thailand)	16.70	16.50	_____
14. Setsuyo Astec Corporation Co., Ltd.	A subsidiary of the company's major shareholder	The company buys electric parts for assembling refrigerators and fans	151.47 (Accounts payables totally 9.11 M.B)	190.29 (Accounts payables totally 12.61 M.B)	_____
15. Mitsubishi Electric Automation (Thailand) Co., Ltd.	A subsidiary of the company's major shareholder	The company buys electric parts for assembling water pumps	125.78 (Accounts payables totally 14.68 M.B)	100.21 (Accounts payables totally 14.31 M.B)	_____
16. Kulthorn Kirby Public Company Limited	Common Director	The company buys compressors for assembling refrigerators	180.15 (Accounts payables totally 33.15 M.B)	165.69 (Accounts payables totally 35.92 M.B)	_____

The Audit Committee's Report

The Audit Committee, appointed by the Board of Directors composed of three independent committees including; Mr. Komol Vongsthongsri, Audit Committee Chairman, Mr. Chackchai Panichapat, and Mr. Arthakrit Visudtibhan. Mr. Komol Vongsthongsri was appointed as Audit Committee Chairman on March 30, 2009 by the Board of Directors' meeting resolution as his proper competency and experience are considered to perform duty in auditing the creditability of the company's financial statement, along with the company's Audit Committee and financial consultant on reviewing.

Audit Committee has engaged in executing and reviewing the activities under role and responsibility as follows;

1. Review financial statement

■ The quarterly and annual financial statement was reviewed. Enquiry and acknowledgement of the financial statement was executed with auditor to consider if such financial statement was correct and accurate creditably in accordance with the general accounting standard.

2. Review internal control

■ Performance and internal control review was conducted to evaluate its propriety and adequacy. Internal control review was conducted on quarterly basis under the fiscal year 2008 audit plan, and approved by auditing committee. As considered whereof, it indicated that the company provided the effective internal control properly. In addition, neither improper business operation, nor disobedience, nor breach of the regulations and rules stipulated by the Stock Exchange of Thailand (SET) Act and Requirement, nor other business-related laws, nor business risk causing loss to company's business operation issue were found. Nonetheless, it is suggested and commented that the company should improve the internal control performance to become more effectively and productively.

3. Auditor Nomination

■ Recruitment and selection of auditor was carried out depending on auditor's qualification, including annual remuneration for fiscal year 2008 based on reasonable consideration.

4. Consideration of related transaction and conflict of interest

■ Review and comment was made in respect to the related transaction that might cause the conflict against the company's interest. In previous year, the following issues were taken into consideration; normal business transaction, supporting normal business transaction, assets and service transactions which have been regarded as normal business transaction under trade condition and criterion agreed as normal and considered as accurate operation in approval under the Stock Exchange of Thailand requirement.

5. Audit Committee's Meeting

■ In 2008, the four Audit Committee's Meetings were held. Of them, one was convened with management, another without the management was convened with the company's auditor. However, all Audit Committee members attended every meeting.

Overall, the Audit Committee performed a function covering the scope, duty and responsibility as specified in the Audit Committee Charter, and has been assigned by the Board of Directors. The Audit Committee attended the meeting with top executives, Internal Control Manager, and certified auditor under related agenda to review the financial statement appropriately in accordance the general accounting standard. In addition, the Audit Committee reviewed the company's internal control whether it was effective or not. Significant mistake was not found. Risk management was carried out in accordance with the company's policy. The Committee also reviewed the related transaction that might cause the conflict of commercial interest, that is considered as normal business, the company has conducted reasonably and beneficial to the maximum benefit to the company. Substantial unusual transaction was not found. There was a presence of compliance with law and related regulations. Moreover, self-assessment on Audit Committee was made annually in year 2008 under the Requirement and Good Governance provided by the Stock Exchange of Thailand (SET) so that all would be directed in accordance with the Good Governance. And the assessment result was satisfactory.



(Mr. Komol Vongsthongsri)
Chairman of Audit Committee

Company's General Informations

Shareholders Structure and Business Operation

Kang Yong Electric Public Company Limited had changed the company's registered status to a public company on October 21, 1994. The company is the manufacturer and exporter of household electrical appliances under "Mitsubishi" trademark such as refrigerator, electrical fan, ventilating fan and water pump. The company has the license and technology from its joint venture, Mitsubishi Electric Corporation, Japan.

The company has head office at 67 Moo 11 Bangna-Trad Rd. Km.20 Bangchalong Bangplee Samutprakarn 10540

Shareholders Structure

As of March 31, 2009 the company has a registered and paid up capital 220 million baht, number of ordinary shares 22 million shares from a par value of 10 baht per share. Mitsubishi Electric Corporation is the major shareholder. The shareholder group as of August 13, 2008 was as follows :

	Total	Total shares	%
1. Mitsubishi Electric Corporation Group	3	9,053,020	41.15
2. Phodhivorakhun Group	8	5,935,669	26.98
3. Other shareholders	1,315	7,011,311	31.87
Grand Total	1,326	22,000,000	100.00

Group of top 10 Shareholders as of August 13, 2008 consists of:

Name	Shares	% of Total Shares
1. Mitsubishi Electric Corporation	8,978,020	40.81
2. Phodhivorakhun Company Limited	1,960,024	8.91
3. K.Y. Intertrade Company Limited	1,773,024	8.06
4. Mr. Somjin Leelakate	743,463	3.38
5. Kang Yong Company Limited	697,324	3.17
6. Mrs. Kamolwan Phodhivorakhun	683,879	3.11
7. Mrs. Penchantra Visuditibhan	479,089	2.18
8. Thai Mex Finance Public Company Limited	363,000	1.65
9. Ms. Proanee Leeweeraphan	335,900	1.53
10. Mr. Chayanind Phodhivorakhun	269,083	1.22

Remark : 1) The company has Thai Shareholders 1,306 names or 56.70% of total shares and Foreign Shareholders 20 names or 43.30% of total shares.

The company has a payment policy to pay dividend 50% of net profit after tax recorded in the company's financial statement presenting the investment amount under the equity method which upon the company's operating results and economics situation.

Business and Operation

The company distributes electrical appliances under “Mitsubishi” trademark such as refrigerator, electric fan, ventilating fan and water pump.

In operation the company has the license and technology from its joint venture, Mitsubishi Electric Corporation. They has collaborated specialist to discuss and assistance Thai management and engineer for better product development process such as technology, feature, color and quality to responding the customer’s needs.

For the domestic market, the company distributes all product through only one domestic dealer, namely, Mitsubishi Electric Kang Yong Watana Co., Ltd. And then, will distribute to dealers countrywide.

For the overseas markets, the company distributes products through dealers in almost 10 countries such as Japan, Hong Kong, Taiwan, Oceania markets that are Australia, New Zealand, South East Asia markets that are Singapore and Malaysia, neighbor countries, Central Asia and Middle East countries.

The main income structure of company are distributes products such as refrigerator, electric fan, ventilating fan and water pump which has income structure for the fiscal year ended March 31,2007, 2008 and 2009

Value: Million Baht

Product	March 31, 2007		March 31, 2008		March 31, 2009	
	Million Baht	% per Total Sales	Million Baht	% per Total Sales	Million Baht	% per Total Sales
Domestic and Export Sales						
Electric fan and Ventilator fan	876.08	11.76	796.42	11.67	860.66	13.62
Refrigerator	6,076.77	81.56	5,473.10	80.23	4,856.78	76.88
Water pump	464.78	6.24	517.74	7.59	565.83	8.96
Others	32.47	0.44	34.60	0.51	34.16	0.54
Grand Total	7,450.10	100.00	6,821.86	100.00	6,317.43	100.00

Business Assets

The company has assets : Land, Buildings, Machines and equipments, factory appliances, office supplies, vehicles, and work in process jobs, book valued as of March 31,2009 618.81 million baht, the detail assets are Land 143.36 million Baht, Factory 118.62 million baht, Machines and equipments 150.45 million baht, Factory appliances 204.38 million baht

The company had an investment in Smile Super Express Co., Ltd. total 3,000,000 Baht or one third of all capital. The investment has been divided equally for those 3 concerned companies are Kang Yong Electric Public Company Limited, Mitsubishi Electric Kang Yong Watana Co., Ltd. and Mitsubishi Electric Consumer Products (Thailand) Co., Ltd. by Smile Super Express Co., Ltd. for the logistics operation to domestic market to be efficient and economic the company does not emphasize on profits because the company doesn’t deliver products to general companies operation to be efficient and economic

Product Line Operation

Product and Service Description

The company is a manufacturer producing a wide range of household electric appliances, for examples, refrigerators, electric fan, and ventilator, and water pump. The company has emphasized on the product quality, safety, and advanced technology in order to meet the consumer's need and competitive potential. To achieve this, the company has been given the cooperation and advice in relation to production and design development technology by the Mitsubishi Electric Corporation, Japan. In addition, the environmentally friendly materials have been used without six kinds of prohibited substances that may harm to the environmental setting in the manufacture of electric appliances and electronics in accordance with the RoHS Requirement provided by the EU countries in all products.

Refrigerator

Refrigerator is one of major products with highest sale proportion. By accomplishment of design and development that allows the refrigerator's figure to be distinctive, modern, gorgeous, and compatible to other household decorative furnishing. The product granted reward "Good Design Award 2008" from the Industrial Production Promotion Association of Japan. As a result, the Mitsubishi Electric has been so widely recognized that propels us to become the leader in the market for refrigerator product category in Thailand. (Survey data by GFK) With the strategy that emphasizes the different in product, the company has developed the refrigerator product in distinctive color like no others, and catches up with the interior decoration in red, black and glossy, wooden and graphite color that focuses on luxury for the past year 2008. This makes our products be acceptable to customers increasingly.

At present, the company produces various types of refrigerator product such as 1-door, 2-door, and 3-door refrigerator, freezer, etc. Individual production line is corresponded to the need of market domestically and internationally. In addition, new production development has been continuously carried out by transformation or making it different from traditional refrigerator distinctively, 1-door and 2-door refrigerator in colorful gorgeousness integrated with well-applicable functions. It also maintains the nutrition and food quality in accordance with safety standard which the company executes the policy in agreement with energy-saving requirement for both domestically and exported refrigerators.

Electric Fan

The company has carried out design and development activity for various kinds of electric fan that can satisfy the customer's need applicably. Today, there are various aspects of electric fans, for examples, desk fan, floor stand fan, tatami fan, and wall fan, cycle fan, and ceiling fan, which each type is assembled properly in propeller size, gorgeous figures, sturdy and durable structure, and premium safety in accordance with safety standard and energy-saving requirement on the usage of parts and materials.

Ventilator Fan

The company has produced the ventilator fan in various aspects that meet the utilization and installation for facility, building, houses, and rooms. They include wall-installed ventilator, glass-installed ventilator, and built-in ventilator with/without ventilating pipe for energy-saving purpose. For wall-installed ventilator in new model, speed can be adjusted for two levels. The company truly committees to apply the ventilation technology to facilitate the ventilation performance more efficiently, and manufactured in diverse design and model, study, easy-to-use in all aspects with maximum safety. The ventilator production is in accordance with safety standard, energy-saving requirement for materials and parts.

Water Pump

The company has produced various types of water pump to satisfy the multi-users' need. For examples, automatic pump with easy-to-use function which supply of water can be stored on the top of the building. Automatic pump with constant pressure is ideal to use along with water heater and other appliances. Moreover, they includes the power-saving inverter pump that supply of water can vary depending on actual usage. Currently, development for higher performance has been conducted, and safety equipments such as motor-burnt preventer and inflammable materials, and so on are furnished. We emphasize the product quality and safety extensively to impress the user's operation. In the same time, other new products have been developed constantly.

Market and Competition

In 2008, the completion was stiff over electric appliance market. The vital manufacture competitors such as Japan, Korea, and the People's Republic of China, all have adapted the strategies due to the continually increased cost, especially material price such as copper and aluminum, which price remained rising up continually. In addition, the effect of the hardening Thai Baht continued, leading to those export sales decreased from forecasted figures and difficulty in price completion in overseas markets.

The company is always aware of production cost and expenses in developing the products that attracts an increased number of customers in context of gorgeous feature and modernity different from the rivals competitively. Further, the product quality must be in accordance with safety standard, energy-saving, and requirements on social and environmental consciousness.

The company has operated the business in three major markets; domestic, Japan, and other countries, which fiscal year 2008 ratio was 40 : 43 : 17 respectively. While domestic distribution has been executive through the Mitsubishi Electric Kang Yong Wattana Co., Ltd. which its dealers have distributed to nationwide, the overseas distribution has been carried out through the Mitsubishi Group primarily which agents are dispatched products to worldwide.

For domestic market, while price competition remained high, the consumers were slow down in spending and buying only goods of necessity. Domestic markets continued slow down. The 2-door refrigerators have higher tended to keep on growing. As construction and real estate development business were relatively slow down, resulted that those sales of pump and ventilators was declined. However, the demand of electric fans tended to grow up because the customers were likely to buy electric fan that was cheaper than other cooling products. Unfortunately, some manufacturers had to dissolve the operation as resulted from higher production cost, and turned to run other product business.

For Japan market, the competition in electric appliances remained strict, especially in refrigerator. The company has executed the market strategies on product and distribution channel, merchandising, and production planning that have been consistent with the market demand to maintain the market share. Likewise, electric fan product remained strict in completion due to cheaper product from China. Some Japanese manufacturers executed the strategy to turn from electric fan product to concentrate on other products. In 2008, the company has modified the strategies on product and price, including distribution channel to maintain sale proportion in the market.

For overseas market, the company exported the products through the Mitsubishi Electric Group primarily. However, the agents have been extensive worldwide in Asia region, Oceania, Middle-East, etc. The competition was stiff in price and product development, including other crucial matters such as energy-saving, restriction on the use of materials and parts that might impact the human being and environment. In the past 2008, the company adjusted the strategy on selling, pricing, and marketing over individual countries, emphasizing that the product would be strong in cost and competitive in the market. Market plan has been developed to expand the business by increasing the existing product lines and sales corresponding to the market demand.

Production Process and Service

The company's factory is located at 67 Moo.11, Bangna-Trad KM.20, Bang Chalong, Bang Plee, Samutprakarn 10540, being employed production site for such products as refrigerator, electric fan, ventilator, and water pump.

A) Production Process

The company's production process started from production development process which has been given cooperation and liaison from the Mitsubishi Electric Corporation, Japan in area of new products development and design and manufacturing technology. Examination and market survey was conducted so that production process would meet the consumer's actual need. Afterwards, the company carries out the development for new products so that it's individualized to customer's need. The Just-in-Time (JIT) production approach has been implemented to improve the production performance and to accommodate the expansion.

The character of production process was mass production process. The process starts from receiving the customer's order, then the production planning and procurement process; purchasing the raw materials, components and part, necessary equipment used, together with the production process in order to pre-determined all of the processes in accordance with production plan of each individual production line. Also the other important sub-process includes the components production, manufacturing equipment preparation, assembly, and packaging, etc.

In production process, the company is always conscious of the best quality of the product by providing the product quality inspection at each production process. This is to ensure of the best quality of the product prior to delivery to customer's hand.

(b) Materials

The important materials, used in the production process include;

1. Plastic parts and pellets – e.g. pump base and cover, plastic sheets used for forming the inner refrigerator cabinet, fan blade and fan base, etc.

2. Metal parts – e.g. metal sheet for producing the refrigerator cabinet and pressure tank for producing the water pump, metal wire for producing the fan guard, copper components include chemical-coated copper wire for producing copper coil for fan motor, cooper pipe used in the cooling system of the refrigerator, etc.

3. Electronic parts – e.g. electronic parts and capacitor, which are important parts used in the refrigerator production

4. Compressor – a major component in the refrigerator production

The company has ordered raw materials and parts from both domestic and imported from overseas directly or indirectly from various distribution agencies.

(c) Product's Service of the Company

The company has set up a specific business unit that takes accountability on product/service assurance and work in cooperating with both company's domestic and foreign distributors to provide the technical information on products, and training for new products, analysis and problem solving, consultation and installation advice and product applications, procurement for parts and components and after-sale service equipment, timely cooperative working with the distributors in quality problem resolution, as well.

Environmental Effect

The company has formulated the environmental policy since March 2001. With an awareness of the locally and globally balanced environment creation, the company has implemented and applied the Environmental Management System in accordance with the ISO 14001 Version: 2004 in the organization to ensure the customers of the quality products and environmental attention vitally. In addition, the company has been approved for ISO 9001 Version: 2000 in compliance and improvement on management in accordance with the international standard, and compliance with the Japan-based Mitsubishi Electric Corporation's policy that pays attention to environment in both production process and product itself under the European Parliament's Requirement and EU Commission (Directive 2002/95/EC The European Parliament and of the Council) on Restriction of the Use of Certain Hazardous Substances in Electrical & Electronic Equipment (RoHS). This makes the company ensure of avoiding six following prohibited hazardous substances; lead, mercury, cadmium, chromium, hexa-valence, Polybrominated Biphenyl (PBB), and Polybrominated diphenyl ethers (PBDE). All these have been carried out since 2003 forward.

Reduction in the use of CFC coolant and replacing the R-134a with R600a instead. This is to reduce a destruction of the earth's atmosphere and protect the earth from the higher global warming problem.

New product development that meets the energy saving requirement in both domestic and oversea markets,

Disposing and controlling the industrial wastes that cause the pollution environmentally and local socially, and following the environmental law and related regulations,

The company also has been constantly attentive of the user's safety on applying the products, maintains the product standard that meets the market demand, and ensures the confidence of the customer groups. The company has developed the premium safety standard which has been implemented in accordance with production standard of the Mitsubishi Electric Corporation, Japan. It increases prevention from flammability of the product which the company contributes the use of inflammable materials and safety equipments.

Additionally, the company has published the environmental policy to all employees, subsidiaries, and concerned organizations through the training and public relation activities. The company also has established the environmental working team to monitor and develop the Environmental Management System and carry out the operations according to the policy and improvement.

Outstanding Work

- None -

Legal Disputation

- None -

Related Data

- None -







KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

67 Moo 11, Bangna-Trad K.M.20, Bangchalong, Bangplee, Samutprakarn 10540 Thailand

Tel : (662) 337-2900 Fax : (662) 337-2439-40

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

E-mail : information@kye.meap.com