



บริษัท กังยงอีเลคทริก จำกัด (มหาชน)
KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

ONE KYE

FOR OUR CUSTOMERS

ANNUAL REPORT 2021
FORM 56-1 ONE REPORT

MINIMAL
DESIGN

**NEW DESIGN WITH A
STRONG WIND**

The new minimal style of grille provides the strength, rust free and easy removing for cleaning with the colorful and nice design, this new style can perfectly fulfil your lifestyle.



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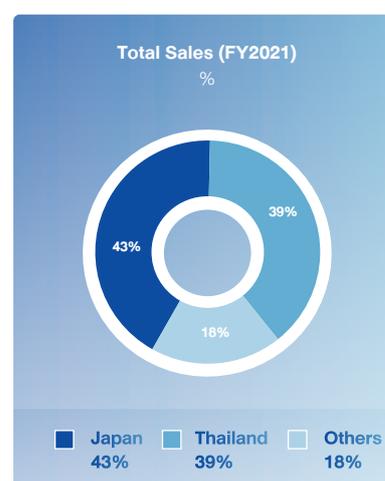
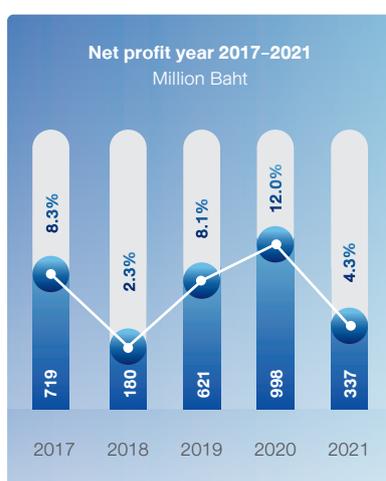
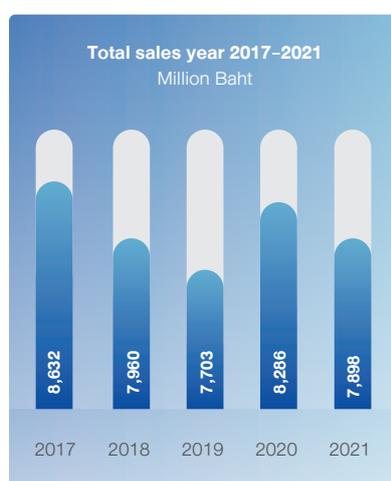
FINANCIAL HIGHLIGHTS

as at March 31

Financial Highlights (Million Baht)	2020	2021	2022
Total Sales	7,703	8,286	7,898
Total Revenues	8,245	8,822	8,484
Cost of Sales	6,435	6,620	7,060
Gross Profit	1,268	1,666	838
Selling and Administrative Expenses	1,139	1,066	1,114
Net Profit	621	998	337
Total Assets	7,381	10,543	10,253
Total Liabilities	1,647	2,152	2,241
Total Shareholder's Equity	5,734	8,391	8,012

Financial Ratio				
Net Profit Ratio	%	8.07	12.05	4.27
Return on Equity	%	11.35	14.13	4.11
Return on Assets	%	8.67	11.14	3.24
Dividend pay out Ratio	%	50.03	50.08	*
Liabilities per Equities Ratio	Times	0.29	0.26	0.28
Earning per Share	Baht	31.38	50.42	17.02
Dividend per Share	Baht	15.70	25.25	*
Book value per Share	Baht	289.60	423.78	404.65
Total Staff		1,582	1,600	1,611

* In the process of seeking approval from the 2022 Annual General Meeting of shareholders





REPORT OF THE BOARD OF DIRECTORS

In the 2021 fiscal year, the Thai economy has had a slow recovery. The resurgence of the COVID-19 since late 2020 and the widespread outbreak of the delta variant in the third quarter of 2021 have resulted in many economic activities being constrained under the tight pandemic control measures enforced for several months. The outbreak has affected business fields as it caused production line disruptions in industrial and construction sectors. Nevertheless, in the last quarter of the year, vaccination has made significant progress, and the outbreak in the country has eased. There has been a gradual relaxation of strict control measures, and economic activities can resume. However, the outbreak of the new strain of Omicron variant at the end of the year has raised concerns about the direction of economic recovery again. Overall, the Thai economy expansion of the year 2021 grew only slightly at 1.2% against the severe contraction of -6.1% in 2020.

Exports are a key driver of the economy in 2021, which can rebound to expand at a high rate of about 16.5% from the previous year's -6.5% contraction due to the economic recovery and global trade. Also, the expansion reflected by the export market growth spread both in terms of market and product category. They also benefited from the Work from Home (WFH) policy that continued the demand for products related to COVID-19 infection prevention. The sharp increase at the end of the year has supported the growth of related export products.



Domestic spending supported by the government but remained weak. Private consumption growth is slightly 1.1% compared to -1.0% contraction in 2020. The strict pandemic control measures disrupted many economic activities, and employment and income of workers affected the consumer confidence sank to a record low; however, COVID-19 spending began to recover as the situation eased. Also, there are COVID-19 relief grants for individuals and various spending support measures, including domestic tourism, at the end of the year. Therefore, private investment is projected to expand by 4.2%, in line with the expansion of exports.

On the other hand, the baht fluctuated rapidly, especially in the third quarter of the year, due to the severe outbreak of the Delta variant in Thailand. Also, the dollar strengthened after the Federal Reserve (FED) signaled a reduction in Quantitative easing (QE)

measures and prepared to raise interest rates faster and more robust than previously expected. There was also pressure from the current account deficit for the first time in eight years. However, external stability, such as Thailand's high interbank reserves, remained strong. Above are factors that support the volatility of financial markets and capital flows to some extent.

Among various negative factors such as the Thai baht volatility, export charges soared exponentially due to higher freight rates, and various supply chain management issues that have been affected by the pandemic situation in both the country and the country of the Company's trading partners. The Company urged to solve many new risks that considerably affect the Company's performance. The cost of sales and cost ratio increased compared to the previous year. The shortage of electronic components, parts, and raw materials soared, and the procurement difficulty and manpower and production management significantly increased the goods' cost. Also, the container shortages and increased freight fees caused the shipping cost to foreign countries to rise. In addition, administrative and general expenses increased significantly from expenditures related to preventing the spread of Covid-19 in the factory. In the past fiscal year 2021, the Company had sales revenue of 7,898 million baht, a decrease of 388 million baht from the previous fiscal year 2020 or -4.7%. Revenue decreased from refrigerators, electric fans and ventilation fans in the domestic market, Japan market and other export markets, but the water pump product sales went well continuously in the Thai market. As a result, the Company posted its net profit significantly lower at 337 million baht, down from 998 million baht in fiscal 2020.

The Board of Directors has resolved to propose to the 2022 Annual General Meeting of Shareholders for approval of dividend payment for fiscal 2021 at 8.55 baht per share or 50.23% of net profit after tax which is in line with the Company's dividend payment policy.

In the fiscal year 2022, the Thai economy's growth rate is expected to continue to grow at 3.7% from 1.2% in 2021, and the value of economic activities is likely to return to pre-pandemic levels in the second half of the year. The main economic drivers come from internal and external factors, such as progress in vaccine distribution that has supported Thailand and many other countries to open the country more widely. The recovery of the global economy and the positive effects of regional economic integration could benefit the Thai export sector growth and lead to a new investment cycle. Domestic spending and tourism support schemes from government measures improved the expenditure in the tourism sector in the first phase of recovery. However, domestic spending may be limited due to the fragility of the labor market. The overall average wage in 2022 is expected to increase but will remain below pre-pandemic levels.

In addition, risk factors and challenges that may pressure the Thai economy's recovery in 2022 include the uncertainty of the COVID-19 outbreak due to mutations affecting vaccine efficacy. Labor market vulnerabilities, rising debt problems, and the side effect of the normalization of monetary policy in the core countries have caused volatility in the capital and financial markets. World supply constraints may be a prolonged problem affecting production costs. There are also geopolitical risks from international conflicts, including political risks in the country that may affect the continuity of economic policy. The negative factors are remaining and affecting the Company's performance. Nevertheless, the Company will continue to strive for the continued growth of sales revenues and profitability through prioritizing on enhance the sales of value-added products, convey VE; value engineering activities, improve the potential of production, and quality assurance continually by investing in the e-f@ctory project that integrates production and IT systems with a focus on real-time data connectivity at all levels. In addition to strengthening the employee ability for Sustainable Organization, in parallel with social responsibility under corporate governance principles and code of ethics, and regarding sustainable benefits to the shareholders and other stakeholders.

On behalf of the Board of Directors, the management, and all staff members of the Company, I would like to convey our gratitude to our business partners, shareholders, and all other stakeholders for your continued trust in and continued support of the Company. We will remain committed to and devoted to working with the best and unstoppable efforts to upgrade our business operation and develop our potential to cope with the volatile market circumstances and relevant risk factors ahead to maintain the shareholders' trust and support. Again, thank you very much.



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



BOARD OF DIRECTORS



1 Mr. Praphad Phodhivorakhun
Chairman of the Board of Directors / Chairman of the Board of Executive Directors / Member of Nomination and Remuneration Committee

2 Mr. Keiji Oya
Vice Chairman of the Board of Directors / Vice Chairman of Executive Directors / Member of Product Pricing Committee / Member of Nomination and Remuneration Committee / President

3 Mr. Yasuhito Negishi
Director / Executive Director / Member of Product Pricing Committee / Executive Vice President

4 Mr. Chayanind Phodhivorakhun
Director / Executive Director / Deputy General Manager Planning & Administration

5 Mr. Hitoshi Maruyama
Director / Deputy General Manager Production Division

6 Mr. Arthakrit Visudtibhan
Independent Director / Chairman of Audit Committee / Member of Product Pricing Committee



7 Mr. Manu Leapairote
Independent Director /
Chairman of Nomination
and Remuneration Committee /
Member of Product Pricing
Committee

**8 Police Major General
Sahaschai Indrasukhsri**
Independent Director /
Chairman of Product Pricing
Committee /
Member of Audit Committee

9 Dr. Apichai Boontharawara
Independent Director /
Member of Audit Committee /
Member of Nomination and
Remuneration Committee

10 Mr. Pumipat Sinacharoen
Independent Director /
Member of Nomination and
Remuneration Committee

11 Mr. Kunihiko Seki
Director

12 Mr. Osamu Sugimoto
Director

13 Mr. Tatsuo Ono
Director

14 Mr. Praphon Potivorakun
Director



DETAILS OF DIRECTORS



Mr. Praphad Phodhivorakhun

**Chairman of the Board of Directors /
Chairman of the Board of Executive Directors /
Member of Nomination and Remuneration Committee**

Age

76 years

Certification :

- Sheffield College of Technology England, Business Management
- Ramkhamhang University, Master Degree in Public Administration (MPA) and Master Degree in Business Administration (MBA)
- Rajabhat University of Lampang, Honorary Doctorate Degree in Business Administration

Training :

RCP/2004, DCP/2005, RCC/2007

Shares (%) :

170,970 Shares or 0.86 %

Relationship of the management :

- Elder Brother of Mr. Praphon Potivorakun
- Father of Mr. Chayanind Phodhivorakhun

Experience :

Nov 1995 - Present	Chairman of the Board of Directors Mitsubishi Electric Kang Yong Watana Company Limited
Jul 1996 - Present	Chairman of the Board of Directors Yokohama Rubbers (Thailand) Company Limited
Oct 1999 - Present	Chairman & Chairman of Executive Directors Kang Yong Electric Public Company Limited
2004 - Present	Independent Director Polyplex (Thailand) Public Company Limited
Aug 2008 - Present	Member of Nomination and Remuneration Committee Kang Yong Electric Public Company Limited



Mr. Keiji Oya

**Vice Chairman of the Board of Directors /
Vice Chairman of Executive Directors /
Member of Product Pricing Committee /
Member of Nomination and Remuneration Committee /
President**

Age

54 years

Certification :

- Gifu University, Japan

Shares (%) :

None

Relationship of the management :

None

Experience :

Nov 2012 - Dec 2017 Senior Manager, Engineering Section
Refrigerator Manufacturing Department
Mitsubishi Electric Corporation,
Shizuoka Works

Dec 2017 - Mar 2018 Deputy General Manager,
Refrigerator Manufacturing Department
Mitsubishi Electric Corporation,
Shizuoka Works

Apr 2018 - Mar 2022 General Manager,
Refrigerator Manufacturing Department
Mitsubishi Electric Corporation,
Shizuoka Works

Apr 2022 - Present Vice Chairman of the Board of Directors /
Vice Chairman of Executive Directors /
Member of Product Pricing Committee /
Member of Nomination and
Remuneration Committee /
President
Kang Yong Electric Public Company Limited

Mr. Yasuhito Negishi

**Director /
Executive Director /
Member of Product Pricing Committee /
Executive Vice President**

Age

51 years

Certification :

- Chuo University (Japan), Bachelor of Precision Mechanics

Shares (%) :

None

Relationship of the management :

None

Experience :

Apr 2013 - Mar 2016 Manager,
Residential Ventilation
Manufacturing Dept.
Mitsubishi Electric Corporation,
Nakatsugawa Works

Apr 2016 - Mar 2019 Manager,
Manufacturing Engineering Dept.
Mitsubishi Electric Corporation,
Nakatsugawa Works

Apr 2019 - Dec 2021 General Manager,
Manufacturing
Engineering Dept.
Mitsubishi Electric Corporation,
Nakatsugawa Works

Jan 2022 - Mar 2022 Business Improvement Project Leader
Kang Yong Electric Public Company Limited

Apr 2022 - Present Director / Executive Director /
Member of Production Pricing Committee /
Executive Vice President
Kang Yong Electric Public Company Limited



Mr. Chayanind Phodhivorakhun

**Director /
Executive Director /
Deputy General Manager Planning &
Administration Division**

Age

44 years

Certification :

- Master of Management in International Business of Chulalongkorn University

Shares (%) :

265,583 Shares or 1.34%

Relationship of the management :

- Son of Mr.Praphad Phodhivorakhun

Experience :

2018 - 2020	Manager, Global Strategy Planning Section, Planning & Administration Department, Living Environment & Digital Media Equipment Group Mitsubishi Electric Corporation Head Quarter, Japan
Apr 2020 - Mar 2021	Department Manager, Strategic Planning Office Department Kang Yong Electric Public Company Limited
Apr 2021 - Present	Director/ Executive Director Kang Yong Electric Public Company Limited
Apr 2021 - Present	Deputy General Manager Planning & Administration Division / (Acting) Department Manager, Corporate Strategic Planning Office Department Kang Yong Electric Public Company Limited

Mr. Hitoshi Maruyama

**Director /
Deputy General Manager Production Division**

Age

57 years

Certification :

- Keio University, Japan, Bachelor of Engineering

Shares (%) :

None

Relationship of the management :

None

Experience :

Nov 2012	Deputy General Manager, Refrigerator Department Mitsubishi Electric Corporation, Shizuoka Works
Apr 2020 - Present	Director Kang Yong Electric Public Company Limited
Apr 2020 - Present	Deputy General Manager Production Division Kang Yong Electric Public Company Limited



Mr. Arthakrit Visudtibhan

**Independent Director /
Chairman of the Audit Committee /
Member of Product Pricing Committee**

Age

66 years

Certification :

- Master of Public Administration
University of Southern California, U.S.A.,

Training :

- DAP/2006
- ACP/2009

Shares (%) :

None

Relationship of the management :

None

Experience :

Mar 1996 - Jun 2021	Director of the Board Peace and Living Public Company Limited
Dec 1999 - Mar 2021	Member of Audit Committee Kang Yong Electric Public Company Limited
Nov 2003 - Dec 2016	Human Resources Director Serm Suk Public Company Limited
Feb 2009 - Mar 2021	Chairman of Product Pricing Committee Kang Yong Electric Public Company Limited
Jan 2017 - Present	Human Capital Director – Employee Relations (Advisor) Serm Suk Public Company Limited
Apr 2021 - Present	Chairman of Audit Committee Kang Yong Electric Public Company Limited
Apr 2021 - Present	Member of Product Pricing Committee Kang Yong Electric Public Company Limited
Jun 2021 - Present	Executive Director / Director of the Board / Chairman of Nomination and Remuneration Committee Peace and Living Public Company Limited



Mr. Manu Leopairote

**Independent Director / Chairman of Nomination
and Remuneration Committee /
Member of Product Pricing Committee**

Age

79 years

Certification :

- Thammasat University, B.Sc. (Honors)
- University of Kentucky, U.S.A., M.Sc.(Econ.)
- Thammasat University, Ph.D Business Administration (Honorary)
- The National Defense College, Class 34

Training :

- DCP30/2013
- RCP3/2001

Shares (%) :

None

Relationship of the management :

None

Experience :

2004 - 2019	Independent Director / member of Audit Committee Thai Beverage Public Company Limited (Registered in the Singapore Stock Exchange)
2004 - Present	Chairman Bangkok Union Insurance Public Company Limited
2004 - Present	Chairman Polyplex (Thailand) Public Company Limited
2004 - Present	Chairman Khon Kaen Sugar Industry Public Company Limited
2006 - Present	Chairman of Audit Committee Siam Steel International Public Company Limited
May 2010 - Present	Independent Director / member of Product Pricing Committee Kang Yong Electric Public Company Limited
May 2010 - Mar 2014	Member of Nomination and Remuneration Committee Kang Yong Electric Public Company Limited
2010 - Present	Chairman ARIP Public Company Limited
2010 - Present	Chairman Jubilee Enterprise Public Company Limited
2011 - Present	Chairman T.M.C.Industrial Public Company Limited
Apr 2014 - Present	Chairman of Nomination and Remuneration Committee Kang Yong Electric Public Company Limited
2016 - Present	Chairman of Audit Committee TPI PL Power Public Company Limited
2016 - Present	Chairman SVOA Public Company Limited



Police Major General Sahaschai Indrasukhsri

**Independent Director /
Chairman of Product Pricing Committee /
Member of Audit Committee**

Age

72 years

Certification :

- Franklin Pierce, College, U.S.A., Bachelor of Business Administration, Major in Economics
- Sripatum University, Bachelor of Law, Major in Law

Training :

- DAP24/2004

Shares (%) :

None

Relationship of the management :

None

Experience :

Jul 2012 - Present	Independent Director Kang Yong Electric Public Company Limited
Jul 2012 - Mar 2014	Member of Product Pricing Committee Kang Yong Electric Public Company Limited
Feb 2013 - Present	Chairman/ Member of Nomination and Remuneration Committee Green Resources Public Company Limited
Apr 2014 - Nov 2021	Member of Nomination and Remuneration Committee Kang Yong Electric Public Company Limited
Apr 2021 - Present	Member of Audit Committee Kang Yong Electric Public Company Limited
Nov 2021 - Present	Chairman of Product Pricing Committee Kang Yong Electric Public Company Limited

Dr. Apichai Boontharawara

**Independent Director / Member of Audit
Committee / Member of Nomination and
Remuneration Committee**

Age

68 years

Certification :

- Bachelor Degree of Economics, Thammasat University
- Master Degree of Economics (English Program), Thammasat University
- Ph.D. in Economics, University of Washington, U.S.A.

Training :

- DAP 2004
- DCP 2005
- ACP 2005

Shares (%) :

None

Relationship of the management :

None

Experience :

Listed Company

2018 - Present	Director and Executive Director Thai Group Holdings Public Company Limited
2014 - Present	Independent Director WHA Corporation Public Company Limited
2014 - Present	Director of Audit Committee WHA Corporation Public Company Limited
2017 - Present	Chairman of the Nomination and Remuneration Committee WHA Corporation Public Company Limited
2017 - Mar 2021	Director Kang Yong Electric Public Company Limited
Apr 2021 - Present	Independent Director Kang Yong Electric Public Company Limited
Apr 2021 - Present	Member of Nomination and Remuneration Committee Kang Yong Electric Public Company Limited
Nov 2021 - Present	Member of Audit Committee Kang Yong Electric Public Company Limited

Non-Listed Company

2009 - Present	Audit Committee Chiangmai University
2011 - Present	Director Southeast Capital Company Limited
2011 - Present	Director Southeast Life Insurance Public Company Limited



Mr. Pumipat Sinacharoen

**Independent Director /
Member of Nomination and
Remuneration Committee**

Age

52 years

Certification :

- Thunderbird School of Global Management, USA
Master of International Management
- Thammasat University Bachelor of Arts, Major Economics

Training :

- DAP 2005
- CSP 2008

Shares (%) :

None

Relationship of the management :

None

Experience :

Listed Company

Jul 2002 - Dec 2011	Chief Finance Officer (CFO) & Investor Relations (IR) AP (Thailand) Public Company Limited
May 2003 - Present	Member of Board of Director and Audit Committee Fortune Parts Industry Public Company Limited (FPI)
Jan 2012 - Sep 2017	Chief People Officer (CPO) and Director of AP Academy AP (Thailand) Public Company Limited
Oct 2017 – Sep 2020	Executive Vice President PTG Energy Public Company Limited
Jun 2018 - Present	Member of Board of Directors J.S.P. Property Public Company Limited (JSP)
Jan 2021 - Present	Chief Executive Officer (CEO) Proud Real Estate Public Company Limited
Nov 2021 - Present	Director Kang Yong Electric Public Company Limited
Nov 2021 - Present	Independent Director Kang Yong Electric Public Company Limited
Nov 2021 - Present	Member of Nomination and Remuneration Committee Kang Yong Electric Public Company Limited

Listed Company

Apr 2017 - Present	Member of Board of Directors Organization's Alcohol
Jan 2018- Present	Member of Board of Directors Forest Industry Organization



Mr. Kunihiko Seki

Director

Age

58 years

Certification :

- Kwasei Gakuin University (Japan)
- B.A. in Business Administration

Shares (%) :

None

Relationship of the management :

None

Experience :

Jun 2011	Managing Director Mitsubishi Electric Vietnam (MEVN)
Apr 2015	Senior General Manager of Corporate Advertising Div., Headquarters Mitsubishi Electric Corporation
Apr 2021	Corporate Executive Senior General Manager of Corporate Advertising Div., Corporate Communication Group., Headquarters Mitsubishi Electric Corporation
Apr 2022 - Present	Corporate Executive, Chief Representative Asia Pacific Region Mitsubishi Electric Corporation
Apr 2022 - Present	Managing Director Mitsubishi Electric Asia Pte Ltd (MEAP) Director Kang Yong Electric Public Company Limited



Mr. Osamu Sugimoto

Director

Age

54 years

Certification :

- Hosei University (Japan) Faculty of Law

Shares (%) :

None

Relationship of the management :

None

Experience :

Jul 2016 - Mar 2018	Deputy General Manager, Corporate Administration Department Mitsubishi Electric Living Environment Systems Corporation
Apr 2018 - Mar 2021	General Manager, Strategy & Business Planning Section, Air-Conditioning & Refrigeration Systems Division Living Environment & Digital Media Equipment Group Mitsubishi Electric Coporation
Apr 2021 - Mar 2022	Deputy Senior General Manager Air-Conditioning & Refrigeration Systems Division Living Environment & Digital Media Equipment Group Mitsubishi Electric Coporation
Apr 2022 - Present	Senior General Manager, Planning & Administration Department Living Environment & Digital Media Equipment Group (Dual assignment : Senior General Manager, Compliance Department) Mitsubishi Electric Coporation
Apr 2022 - Present	Director Kang Yong Electric Public Company Limited

Mr. Tatsuo Ono

Director

Age

56 years

Certification :

- Osaka University, Japan Graduate School of Engineering

Shares (%) :

None

Relationship of the management :

None

Experience :

2011 - 2015	General Manager, Packaged Air Conditioner Manufacturing Department Mitsubishi Electric Corporation, (Wakayama, Japan)
2015 - 2018	General Manager, Packaged Air Conditioner Manufacturing Department Mitsubishi Electric Corporation, (Shizuoka, Japan)
2018 - 2021	Deputy Senior General Manager, Air-Conditioning & Refrigeration Systems Division, Living Environment & Digital Media Equipment Group Mitsubishi Electric Corporation
Apr 2021 - Present	Senior General Manager, Mitsubishi Electric Corporation, (Shizuoka, Japan)
May 2021 - Present	Director Kang Yong Electric Public Company Limited



Mr. Praphon Potivorakun

Director

Age

72 years

Certification :

- Meisei University, Japan,
Bachelor of Electrical Engineering

Shares (%) :

204,115 Shares or 1.03 %

Relationship of the management :

- Younger brother of Mr.Praphad Phodhivorakhun

Experience :

1987 - Present	Deputy Managing Director Mitsubishi Electric Kang Yong Watana Co., Ltd.
May 2011 - Present	Director Kang Yong Electric Public Company Limited
Apr 2017 - Mar 2021	Executive Director Kang Yong Electric Public Company Limited



MANAGEMENT POLICY

ONE KYE FOR OUR CUSTOMERS

Support the products and services that are safe, secure, healthy and beneficial for customer's lives and contribute to the realization of a sustainable society that is friendly to the whole supply chain under the slogan: **“ONE KYE FOR OUR CUSTOMERS”**





BUSINESS STRUCTURE PERFORMANCE

Policy and Overview of Business Operation

Kang Yong Electric Public Company Limited (“KYE” or “the Company”) was established on January 12, 1964, by Mr. Sitthiphol Phodhivorakhun with a start-up registered capital 10 million baht in the name “Kang Yong Electric Manufacturing Company Limited”. It is a Thai-Japanese joint venture between Phodhivorakhun family group and Mitsubishi Electric Corporation, Japan, to engage in manufacturing and distribution of home electrical appliances under “Mitsubishi Electric” trademark. In 1993, the Company was approved to be listed on the Stock Exchange of Thailand (SET) and transformed into a public limited company in the name “Kang Yong Electric Public Company Limited,” with stock symbol “KYE.” It has a registered and paid-up capital of 220 million baht divided into 22 million ordinary shares with a par value of 10 baht per share. On September 12, 2019, the Company has reduced the registered capital to 198 million baht or 19.8 million shares.

KYE’s current office and factory located on an area of 73 rai 2 ngan 23 square wah at the address No. 67 Moo 11, Debaratna Road km. 20, Bangchalong, Bangplee, Samutprakan 10540. The Company manufactures and distributes “Mitsubishi Electric” home electrical appliances such as refrigerators, electric fans, ventilating fans, and water pumps under the license and production technology provided by its joint venture partner, Mitsubishi Electric Corporation, Japan.

Management Policy and Mission

Management Policy:

Support the products and services that are safe, secure, healthy and beneficial for customer’s lives and contribute to the realization of a sustainable society that is friendly to the whole supply chain under the slogan: “**One KYE for Our Customers.**”

Mission:

1. Promote business strategy and organizational culture to grow sustainably in the global market.
2. Build a business structure with flexibility that promptly responds to changes in the market and environment.
3. Implement top priority to Safety first, Health first, Quality first, and compliance with the law and the code of conducts thoroughly.

Significant Changes and Developments in 2021

- On July 22, 2021, the Annual General Meeting of Shareholders resolved to approve profit appropriation for dividend payment at 25.25 baht per share, totaling 500 million baht, to shareholders on August 18, 2021.
- The Company has developed new products for domestic and international markets to meet customers’ needs and increase the product’s usefulness by focusing on developing the product’s energy-saving, quality, and service standards.

- **April 2021:** According to Mitsubishi standards, the water pump production department maintained product safety functions in the R-series water pump products under safety quality standard TIS 1548-2551 and could occupy the No.1 brand in the Thai market for the fourth consecutive year according to the popularity survey of water pump products from Marketeer magazine year 2020-2021. In addition, there was positive feedback from export markets such as Myanmar, Malaysia, and Brunei as well. Although 2021 was a difficult year due to the ongoing COVID-19 pandemic throughout the year, the Company was still able to achieve the highest production volume ever produced.



- **May 2021:** Started production of a new ventilating fans; window type model V-20SL7T and V-20SLC7, using an One-Click impeller which is easy to remove and clean.
- **June 2021:** Started production of a new ventilating fans; window type model V-20SH7T with an automatic shutter that the wind force controls the on-off switch, and an One-Click impeller which is easy to remove and clean.
- **July 2021:** Started production of the stand fan, desk fan and wall fan with 16-inches propeller using a new motor with ball-bearings to increase the efficiency and quality to be more durable, launching to export markets.
- **September 2021:** Started production of the new 4-door bottom freezer refrigerator L4 series launching in Australia market with a capacity of 550L-650L and an auto ice making function.
- **December 2021:** Started production of the new 4-door bottom freezer refrigerator L4 series launching in the domestic market with a capacity of 550L-650L and an auto ice making function.

- **January 2022:**
 - Started production of the 2-door top freezer refrigerator “FC-series” with a capacity of 359L with “Capsule Pocket” for proper food storage organizing, launching in the domestic market.
 - Started production of the 2-door top freezer refrigerator “FC-series” with a capacity of 180L–220L with Compressor Cover for further strength and safety, and reduce any harmful risks to the compressor.
- **February 2021:**
 - Started production of the 2-door top freezer refrigerator “FS-series” with a capacity of 413L with a new exterior design and a “Soft Freezing” function that maintain the food freshness under -7°C. It offers more convenient and time-saving in cutting and cooking the meat as it does not need defrosting. Also, a new function, “Blue Catalyst Deodorizer”, can reduce odors and bacteria in the refrigerator.
 - Started production of a new generation of electric fans 5 models with a new flat grill, durable plastic grill that spreads the air out to the sides and efficiently sends the wind furtherly far. The new fan received the new EGAT No.5 level 3 star standard.
 - Started production of the cycle fan with 18 inches propeller made from PP-Fiber, a new material which is more durable.
- The Company has invested and improved the production process for the year 2021.
- **May 2021:**
 - Started implementing Label QR Code system to secure the correctness of refrigerator assembly process to be align with the specifications of each country by controlling and improving the quality and production process.
 - Started implementing the online Packing card system for sending refrigerator parts from vendors to the refrigerator store. The system can read the QR code and receive goods into the SAP system in real-time, making the goods receiving process faster and reducing the risk of errors in entering data into the system manually.
- **February 2022:** Installed welding machines for the production of evaporator in refrigerator to increase productivity.

Award in the year 2021

- **July 2021:** The Company has been awarded the Marketeer No. 1 Brand Thailand 2020–2021 for water pump product. It is an award from the Marketeer Consumer Survey in Thailand. The Company has received the award for the fourth consecutive year.



- **October 2021:** The Company has been awarded the Best Labor Relations and Welfare Management Award from the Department of Labour Protection and Welfare, Ministry of Labour 15 years in a row (2007–2021).

Details of Business Operation

Main income structure:

The Company mainly generates income from distribution of refrigerators, electric fans, ventilating fans and water pumps. Its income structure for fiscal years ended March 31, 2020, 2021 and 2022 was as follows:

Value: Million Baht

Product	For the year ended March 31					
	2020		2021		2022	
	Sales	%	Sales	%	Sales	%
Domestic and Export Sales						
Electric fans and ventilating fans	1,440.3	18.7	1,312.7	15.8	1,291.2	16.3
Refrigerators	5,139.1	66.7	5,732.9	69.2	5,347.0	67.7
Water pumps	1,036.7	13.5	1,148.1	13.9	1,190.5	15.1
Others	87.3	1.1	92.2	1.1	69.2	0.9
Total value	7,703.4	100	8,285.9	100	7,897.9	100

Remark: Other income is from sales of parts.

Information of Products

Description of Products and Services

The Company manufactures and distributes home electrical appliances comprising refrigerators, electric fans, ventilating fans, and water pumps under the “Mitsubishi Electric” trademark, with technological cooperation and support from Mitsubishi Electric Corporation, Japan, in product development, designing and manufacturing, with an emphasis placed on product quality, safety, use of cutting-edge technology, energy-saving, and environmental friendliness to ensure responsiveness to customers’ requirements and strengthen competitiveness against other producers.

Refrigerators

The Company focuses on research and development of refrigerator designation, aiming to meet diversified consumers’ demands and preferences as follows:

- Capless Design: The exterior design provides a luxurious, striking appearance like no other. Particularly, the unique design of the door frame without plastic frames makes it more beautiful and modern.
- Easy to Use: The product’s design offers diversity in models, number of doors, and capacity to match consumers’ usage preferences and allow for accessibility, convenience and time-saving.
 - Select Zone: This function allows users to switch the operating mode between Soft Freezing at a temperature of about -7°C and Chilled Mode at 0 degrees. Soft Freezing is a technology that helps extend the shelf life of food in the “Soft Freezing” condition, so the users can cook the food promptly without wasting time defrosting.
- Healthy Technology: The combination of food preservation technologies employed for good food hygiene, food freshness, and clean interior spaces are as below:
 - Vegetable Drawer with Vitamin Factory: The separate vegetable drawer compartment engineered with built-in LED lights acts on the chlorophyll in vegetables to stimulate photosynthesis. This technology also maximizes the freshness of your greens by maintaining a higher humidity than the main refrigerator compartment. Keep your greens crisper for a longer

- Supercool Chilling Case: The latest technology for storing fresh prime cuts of meats and fish. Standard-setting the temperature between 0°C to -3°C allows you to preserve meat or fish ready for cooking without wasting time defrosting.
- Auto Ice Maker: All compartments, including the ice tray, pump pipe and filter, are detachable for easy washing. The tray is also antibacterial for more cleanliness.
- Anti-bacteria food liner: Silvery inorganic antibacterial material contained in the food liner of a freezer and cooling compartment to prevent and stop the growth of bacteria according to the Society of Industrial Antibacterial Articles (SIAA) No. JIS Z 2801 of Japan, hence cleaner freezer and longer food freshness.
- Minus ion surround cooling system: Minus ion surround cooling system helps distribute coolness through all shelves, including the bottle compartment, to help increase moisture in inner cases and preserve foods for a longer period.
- Blue catalyst Deodorizer: The function of blue light and antibacterial filter inhibits the growth of bacteria up to 99.9% and reduces odors.
- High Quality with Environmental Friendliness & Energy Saving: The Company offers a high standard of product quality that could gain customer trust and environmental friendliness and energy saving.
 - Neuro Inverter system: The system is operated by intelligent microchips to identify users' behavior in combination with sensors to measure interior and exterior temperature. The data is sent to intelligent processor microchips of the neuro-fuzzy system and inverter compressors to ensure the maximum efficiency of a refrigerator in all functioning conditions.
 - Premium safety: It signifies Mitsubishi Electric's exclusive premium standard that accentuates the maximum utilization safety for all consumers. All parts and materials carefully selected for the products, including non-flammable material, added components to prevent electric current leakage, a built-in circuit breaker to prevent over-limit power, an over-heating protection device, etc.
 - Products are developed in line with each country's safety standards and energy-saving requirements, using environmentally friendly raw materials that meet RoHS standards.
 - ME Happy Fridge: A mobile application for all refrigerator models in the Thai market to help consumers manage food put in the refrigerator more easily. This application will notify about each type of food in the refrigerator that consumers have recorded in the application, such as the product's purchase date, expiration date, amount of product remaining, etc. It can help consumers reduce loss on expired food, save more costs, alarm consumers to eat food before the expiration date and reduce the food waste for a better environment.
 - In January 2022, the S-series of refrigerators were launched in the Thai market. According to EGAT's new energy standards, they are produced using a 5 + star (1-3 star) energy-saving label.

Electric Fans

The Company has further developed an electric fan line-up to suit diverse applications, comprising desk fans, Living fans, Tatami fans, wall fans, cycle fans, and ceiling fans. The blade of each model has a selectable size to fulfil the customer's various needs, along with the development of a closed motor design, which is Mitsubishi Electric's exclusive patent. It helps prevent an intrusion of dust and undesirable objects that cause damage to the product. As a result, it is highly durable.

The Company designed and developed a new generation of electric fans on a minimal concept with a new flat grill for desk fans, tatami fans and DC fan models. The Company became the first electric fan maker in Thailand who receive the new EGAT No.5 level 3-star standard (source: EGAT's website on 7 April 2022). The new models have been launched since the beginning of February 2022.

Ventilating Fans

The Company's ventilating fan is considered a valuable product is helping improve the quality of life of consumers. Meticulous attention has been paid to the product development process to ensure excellent and efficient air circulation. The Company's ventilating fans are available in wall, window, ceiling, and duct types.

In the past year, the Company developed V-20SH7T, which is a window type ventilating fan with an automatic shutter that the wind force controls the on-off switch. Moreover, the Company developed a new interior for the bearing type motor. The Company also improved the efficiency and quality of the wall type and window type models to extend the product life. The Company also developed EX-30SKC7T, a 12-inches wall type ventilating fan with grill, scheduled to be launched in Thailand in May 2022.

Water Pumps

The Company developed its products in design variety to accommodate different applications such as the suck-from-well/ tank type, automatically based on water tap operation type, constant pressure type, and inverter type with an electronic control system that is good for energy-saving.

In 2019, the Company launched the water pump R-Series with more energy-saving, certified by the new energy-saving standard, the number 5, the highest level of 3 stars. Engineered with a new propeller U-shaped design allows the pump headset to send more water and more force, helping to save energy efficiently. These R-Series models obtain favourable feedback from domestic and export markets. In 2021, the Company was awarded the Marketeer No. 1 Brand for water pump products from the Marketeer Consumer Survey in Thailand for the fourth consecutive year.

Market and Competition

The Company sells products in three principal markets; the domestic market, Japan, and other export markets. In the fiscal year 2021, its sales to these markets were in a proportion of 39:43:18, respectively. Comparing to the sales of the year 2020, the sales amount decreased in every market due to the effect of the COVID-19, especially the shipments to other export markets were poorly influenced by the vessel and container shortage, freight cost soaring, and destination port congestion.

Distribution channels

- Domestic market: The Company distributes its products through Mitsubishi Electric Kang Yong Wattana Co., Ltd., its sole distributor, with its dealers across the country.
- Export markets: The Company exports its products mainly through its subsidiaries in Mitsubishi Electric Group, which have dealers worldwide, comprising Asia, Oceania, and the Middle East, etc.

Domestic Market

In 2021, the electrical appliance industry tended to recover from the domestic demand supported by economic conditions and the gradual housing market recovery. Global warming and health-oriented electrical appliances such as air purification functions, anti-bacteria, and PM 2.5 dust filters, are all driving factors for the demand for electrical appliances such as air conditioners, refrigerators, and fans. Also, the spread of COVID-19 Omicron changes lifestyle behavior, for example, working from home, ordering food to eat at home instead of eating out, the growth of e-commerce, etc.

The Company's electrical appliances demand could grow from the factors mentioned above. However, the spread of COVID-19, especially the Omicron, was a negative factor that affected the labour shortage in the manufacturing sector, the shortage of raw materials, etc., which caused the Company not to be able to deliver the products as the customers want, resulting in lower sales than the plan.

- Refrigerator: Demand for larger capacity refrigerators for more food storage increases; therefore, the growth of 2-door, 3-door and 4-door refrigerators is showing. 1-door refrigerators are declining continuously, while small 2-door refrigerators continue to grow due to similar prices and better functionality, such as an automatic defrosting system. In the past year, the sales of almost all refrigerators declined, except 4 door refrigerators, because the Company could deliver as demanded. Meanwhile, for other refrigerators, the Company was unable to provide as required due to the shortage of raw materials and labor shortage in the manufacturing sector, etc.
- Water Pump: Overall demand for water pump significantly increased compared to the previous year. The main factor is the behavior of consumers during the COVID-19 pandemic, such as working from home, which the consumers tend to spend more time at home that, affected the market for low-rise housing (detached houses, twin houses, and townhouses) grew slightly. The production was a bit slowed down from COVID-19, but the Company was able to fulfil the product as required, so the sales increased.
- Electric Fan: Overall demand for electric fan slightly decreased compared to the previous year due to the impact of the COVID-19 pandemic on the production that caused the Company to be unable to provide as required.
- Ventilating Fans: Overall demand for ventilating fans decreased compared to the previous year due to the impact of the COVID-19 pandemic; the growth rate of vertical housing projects tends to decrease, making both big and sub-projects delaying order and construction.

Japan Market

Japan's economy started to recover in late 2021 due to rising vaccination rates and declining confirmed cases of COVID-19. The government lifted the COVID-19 controlling measures that affected the economy. Before that, Japan's economy contracted at its worst on record in the fiscal year 2020 due to the COVID-19 pandemic.

The economy remains at risk from a new wave of outbreaks. It will result in another economic halt and increase the risk that Japan might have to cancel the Olympic Games, which is a crucial factor supporting the economy in 2021.

Japan's economy continues to expand through 2022, driven by restaurants and pubs, including other service sectors that resumed normal operations with the government's economic stimulus program, such as the "Go to travel", which encourages domestic tourism. In addition, the Japanese government is preparing to issue additional economic stimulus measures during the economic and financial market uncertainties arising from the Ukraine crisis.

At present, the Company exports three types of products to Japan, comprising refrigerators, electric fans, and ventilating fans. In the fiscal 2021, the situation of the Japan markets for the Company's products summarized as below:

- Refrigerator: Overall market demand for refrigerator decreased slightly compared to the previous year. The main factor is the parts and labor shortage of parts in production, and the problem of shipment delayed and the vessel does not go as planned, causing the product to arrive at the destination later than scheduled. The 3-door refrigerators and freezers remained in high demand during the COVID-19 pandemic, while the mini 2-door models were affected by price competition.
- Electric fan: The worldwide shortage of raw materials such as electronic components, causing the Company to be unable to delivery products as required. Overall demand for electric fan increased compared to the previous year. The main factor is the needs for electric fans in conjunction with ventilation fans to reduce the risk of spreading the COVID-19 virus in various places and continued good sales to school and health center projects.
- Ventilating Fans: Overall demand for ventilating fans increased compared to the previous year due to the need to use ventilation fans to reduce the risk of spreading the COVID-19 virus in various places by educating consumers to install ventilation fans. In addition, in the 1st half of the fiscal year, the Government of Japan has supported the budget for the installation of ventilation fans to universities, schools, hospitals, government agencies, shops and the private sector.

Other Export Markets

In 2021, the economies of the major trading partners continued to recover. Despite the epidemic of the COVID-19 Omicron, each country's public health system is still able to cope with the outbreak, unlike in 2020. Many countries are beginning to relax strict measures to reduce the severe impact on the economy. The demand for all electrical appliances of the Company is still high, but the Company cannot fulfil all of its needs due to the outbreak of COVID-19 caused a shortage of raw materials, price fluctuation, and labor shortage in the manufacturing sector. The ship's cargo is insufficient to meet the demand due to the congestion problem in the port of the destination country, which made it take longer to unload the cargo and the freight charges soared, etc.

Such negative factors affect exports, especially refrigerator products, which have a slower growth rate than the previous year. However, there is still a trend of demand for large refrigerators for food storage, which is a continuation of behavior from last year. There is a demand for 2 and 3 door refrigerators in Taiwan as the second refrigerator.

The electric fans, ventilating fans, and water pumps still have a growth rate because the bad influence is less than refrigerator products. After many countries, such as Malaysia, have relaxed measures to control the outbreak, the sales of electric fans and ventilating fans have grown from the previous year. There is also a shortage of other brands of products which is an additional factor that makes sales of electric fans and ventilating fans have grown.

Procurement of Products and Services

Nature of Product Procurement

(a) Manufacturing Process

The Company's manufacturing process begins with product design and development by receiving cooperation in product design and technical know-how from Mitsubishi Electric Corporation, Japan. Study and survey on market demand conducted so that product specifications agreement can be customized to suit customers' needs. After that, new product models are developed and then produced according to customers' purchase orders.

In the previous year, the Company developed and improved product safety to comply with Mitsubishi Electric's standards and each country's regulations to ensure the customer's safety and quality of our products.

Products are manufactured in mass production. The process starts with receiving customers' orders, followed by production planning, procurement of raw materials, components and parts, and manufacturing of products according to the production plan of each production line. The vital sub-process includes parts production, manufacturing equipment preparation, assembling, packaging, etc.

Recognizing the reliable product quality, the Company conducts the quality inspection at every step of the production process by applying the innovative machinery and tools for the quality control process to ensure that all marketable products meet the high-quality standards and customers' requirements.

(b) After-sales Services

The Company set up a department to be responsible for product quality warranty and after-sales service provision. The department harmonizes with local and overseas distributors to provide technical information on each product, arrange specialized training for new products, exchange information from customers, and analyze the data to develop the new products. The department also renders advice and suggestions on product installation and application, supplies spare parts and after-sales service provision, and coordinates and works jointly with the distributors to rigorously address any possible quality-related problems. The Company has raised the security level that may cause any issues from the installations that do not comply with the requirements and may harm the users. Therefore, the Company arranged more training with especially cautious topics to educate the proper installation for dealers.

In 2021, the Company improved its product analysis by implementing the usage history data and the problem data, including the performance of the refrigerator product, which is recorded during usage via the "Micro Controller (IC)" recording system. It can reduce the time for analysis of the route of the problems and be aware of the issues that occur with the end-users who use the inverter compressor refrigerator.

Production Capacity and Production Output

The Company's production capacity and production output in 2019-2021 are tabulated below:

K/Unit

Products	Unit	2019	2020	2021
Refrigerator				
Rated capacity	units	1,200	1,200	1,100
Actual production	units	670	718	637
Capacity utilization rate	%	56%	60%	58%
Electric fan & ventilating fan				
Rated capacity	units	1,800	1,800	1,800
Actual production	units	1,630	1,366	1,320
Capacity utilization rate	%	91%	76%	73%
Water pump				
Rated capacity	units	280	320	320
Actual production	units	260	292	296
Capacity utilization rate	%	93%	91%	93%

Raw Material Procurement

Raw materials used for production:

	Proportion of Purchase/Usage (%)	Supply Sources	
		Domestic	Overseas
1. Compressor	9.5		✓
2. Steel for parts making	15.9	✓	✓
3. Foaming agent	6.0	✓	✓
4. Copper	5.9	✓	✓
5. Resin	12.8	✓	✓
6. Electric cord	4.8	✓	✓
7. Motor	8.0	✓	✓
8. Die cast	4.1	✓	
9. Electronic parts	6.7	✓	✓
10. Paper carton	2.7	✓	
11. Others	23.6	✓	✓
Total	100.0		

Proportion of Domestic and Overseas Supply of Raw Materials

The Company still has to import the raw materials and parts such as compressor, electronic components etc. The products of the Company uniquely produce under the standard of Mitsubishi Electric Cooperation. Therefore, some of the raw materials and some of the parts are imported from reliable sources overseas. Furthermore, purchasing raw materials and parts in a massive volume through a MELCO subsidiary resulting in the production cost is lower.

Environmental Impacts from Manufacturing Process or Limitation on Waste Materials

It is being aware of impacts on the environment arising from its manufacturing process and service operation. By considering the effect of products that affect the environment throughout the life of the product from the acquisition of raw materials, design, production processes, transportation/distribution, product usage, maintenance, and product disposal which able to say as consider since cradle to grave.

The Company has managed the environment by referring to the environmental management system standard (ISO 14001: 2015) by considering various factors, which may have an impact on the environmental management in the organisation such as internal factors, external factors, needs and expectations of the stakeholders, laws, regulations, obligations and environmental aspects including risk and opportunities assessment on the Company's environmental management system, in order to take these factors into the environmental management plan.

In 2021, the Company has set up the Environmental Objective & Target and Environmental Program that related to the environmental as follows:

- Conserved natural resources by promoting 3Rs activity (Reduce Reuse Recycle) such as
 - Promote paper usage reduction by applying appropriate IT technology such as Simmpro maintenance management system, E-Quotation request, Alfresco software, Memo online, Training application, etc.
 - Promote resource use reduction with the development of products to have lower power, reduce the product's weight, use high-efficiency manufacturing technology such as installing a hot runner in plastic injection processes, modify raw materials to reduce the use of paint and chemicals in the production process; for example, use PCM metal paintless for fan products, reduce the size of the material fed into the process, e.g. the size of the steel sheet used in the manufacture of refrigerator products parts such as elect cover, back plate, gusset roller .
 - Promote the recycling of plastics by considering suitable plastic parts.
 - Promote water recycling by installing a system to improve the quality of treated water and consider appropriate points of use such as flushing toilets, watering plants, washing sludge removers, and washing factory floors, water curtain, spraying for oil painting booth, washing solar panels, etc.
 - Environment Protection: by reducing the use of hazardous chemicals such as change the type of paint sprayed from the oil color to the dust color, change the raw material to PCM (pre-coated metal) to avoid spray painting, minimize the use of varnish, reducing foam usage, and change the refrigerant of refrigerator etc.

- Pollution Prevention: Proceeding the water quality control and air quality control before release to outside by
 - Check the drainage from the source.
 - Check the maintenance of air pollution treatment machines, chimneys and related equipment.
 - Install high-efficiency air pollution treatment systems, such as activated carbon trap for chimneys from powder-painting ovens and oil paints.
 - Water quality analysis before draining outside the factory once a month.
 - Check the quality of air vented outside the factory twice a year.
 - Measure the noise level once a year to monitor the noise level that may affect the community.
- Environmental awareness:
 - Check each department's operation or environmental management 4 times a year, such as EMS patrol check activities, etc., including considering the installation of additional waste sorting bins to be sufficient to accommodate the waste from the consumption of employees. To increase awareness for all employees, during the COVID-19 pandemic, the Company has added bins for infectious waste to be sufficient for proper usage and appropriate collection and disposal, including waste sorting campaigns.
 - Promote and support green procurement by considering ordering office equipment and consumables that have been certified for environmentally friendly products such as green label, green basket label and Carbon Footprint Reduction Label.

The Company has set up the Environmental Working Committee to monitor, follow up and assess the environmental management system (EMS) on a systematic basis, as well as plan for the development and update of the system in an ongoing manner. Moreover, it has communicated its environmental policy to all staff members through training, internal PR campaign, and joint activities with employees, trade partners, affiliates and relevant entities.

Assets Used in Business Operations

As at March 31, 2022, the net book value of the Company's operating fixed assets are as below.

Property, Plant, and Equipment

Plant, and Equipment

Unit: Million Baht

Item	Ownership	Book Value	Obligation
Land and Land improvement	KYE	129.5	-
Buildings and Plants	KYE	127.0	-
Machinery, equipment, and factory tools	KYE	765.1	-
Molds and dies	KYE	279.6	-
Assets under construction	KYE	138.5	-
Office equipment	KYE	51.2	-
Others	KYE	0.3	-
Total		1,491.2	

Depreciation Fragmentation

Unit: Million Baht

	2021	2020
1. Production Cost	336	368
2. Selling, Administrative and General expense	31	30
Total Depreciation	367	398

As at March 31, 2022, the Company has some machinery and equipment which has been fully depreciated but still active. The book value before deduction of accumulated depreciation of such assets amounted to approximately 4,585 million baht (Year 2020 = 4,334 million baht).

Intangible Assets

Financial statement in which the equity method is applied and separate financial statements

Unit: Million Baht

	Patents	Software licences	Others	Right of Use (Lease)	Total
Net Book Value	-	27.2	-	17.7	44.9

Investment Properties

The net book value of the Company's investment properties as at March 31, 2022.

Financial statement in which the equity method is applied and separate financial statements

Unit: Million Baht

	Land	Buildings	Others	Total
Net Book Value	4.2	-	-	4.2

Investment Policy

The Company's investment policy focuses on investing in related businesses or supporting the Company's operations in both short term and long term. The Board of Directors has a mechanism for overseeing and controlling associated companies with responsibility for their operation in order to protect the Company's interest in such investment. The meeting of the Board of Executive Directors shall appoint a director or executive as representative of the Company to serve as a director of its associated company, having duty to determine policies that are crucial to business operation, approve, express opinion and follow up on the operation, but not to the extent of controlling such policies. The investment ratio depends on the business that invests and how much capital it needs.

Pending Works

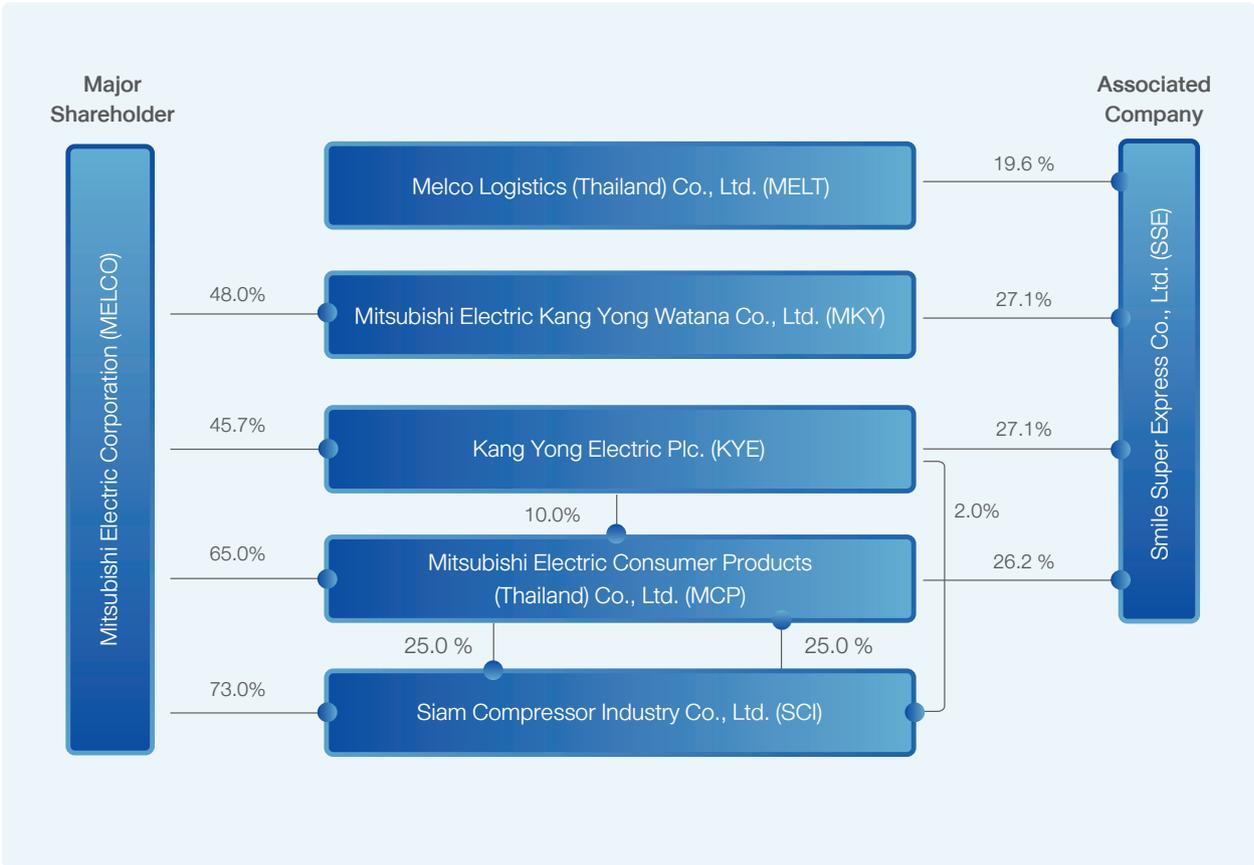
- None -

Capital Structure

Relationship with Major Shareholder’s Business Group

The company is a manufacturer and distributor of home electrical appliances under “Mitsubishi Electric” trademark, with the copyright and manufacturing technology from Mitsubishi Electric Corporation (MELCO) which is the major shareholder of the company. The Company has significant business relationships with its major shareholders. The company cooperates with MKY and MCP which are the major shareholders to establish SSE for managing and maintains the inventory of all three companies to increase efficiency in managing and controlling the logistics costs of the company.

In March 2018, SSE changed its management by Melco Logistics (Thailand) Co., Ltd. (MELT) with to experience in inventory management and freight forwarding has come to manage, expand sales and profit in the future. Details and relationships are as follows.



Related company

Company name	:	Melco Logistics (Thailand) Co., Ltd. (MELT)
Business characteristic	:	Logistics Providers
Date of Establishment	:	1 st December 2004
Registered Capital/Paid-up Capital	:	Baht 39 million / Baht 39 million
The relationship	:	-
Unorganized Reasons	:	Different Business

Company name	:	Mitsubishi Electric Kang Yong Watana Co., Ltd. (MKY)
Business characteristic	:	Distributor of home electrical appliances
Date of establishment	:	1 st November 1971
Registered Capital/Paid-up Capital	:	Baht 120.1 million / Baht 95.1 million
The relationship	:	2 common directors, Mr. Praphad Phodhivorakhun, Mr. Praphon Potivorakun
Unorganized Reasons	:	Different Business

Company name	:	Mitsubishi Electric Consumer Products (Thailand) Co.,LTD. (MCP)
Business characteristic	:	Air Conditioner Manufacturer
Date of Establishment	:	27 th November 1989
Registered Capital/Paid-up Capital	:	Baht 1,200 million / Baht 1,200 million
The relationship	:	2 common directors, Mr. Keiji Oya and Mr. Kunihiko Seki
Unorganized Reasons	:	Different Business

Company name	:	Siam Compressor Industry Co., Ltd. (SCI)
Business characteristic	:	Compressor manufacturer for air conditioning
Date of Establishment	:	7 th December 1988
Registered Capital/Paid-up Capital	:	Baht 1,603.8 million / Baht 1,603.8 million
The relationship	:	-
Unorganized Reasons	:	Different Business

Shareholders

Group of 10 Major Shareholders as of April 5, 2022 consists of:

Name	Shares	% of Total Shares
1. Mitsubishi Electric Corporation	9,048,020	45.70
2. Phodhivorakhun Company Limited	1,960,024	9.90
3. K.Y. Intertrade Company Limited	1,773,024	8.96
4. Kang Yong Company Limited	697,324	3.52
5. Mrs. Penchantra Visudtibhan	479,089	2.42
6. Mr. Supachai Suthipongchai	342,500	1.73
7. Mr. Somjin Leelakate	335,000	1.69
8. Bank of Singapore Limited	307,500	1.55
9. Mr. Chayanind Phodhivorakhun	265,583	1.34
10. Mrs. Srirat Varikarn	258,307	1.30
Total	15,466,371	78.11

The shareholder group as of April 5, 2022 as follows:

	Total	Total shares	%
1. Mitsubishi Electric Group ^{*1}	2	9,053,020	45.72
2. Phodhivorakhun Group ^{*2}	10	5,121,512	25.87
3. Other shareholders	2,380	5,625,468	28.41
Grand Total	2,392	19,800,000	100.00

Remark : - The Company has Thai Shareholders 2,366 names or 52.37% of total shares and Foreign Shareholders 26 names or 47.63% of total shares.

*1. Mitsubishi Electric Group consists of:

- Mitsubishi Electric Corporation	9,048,020	45.70
- Setsuyo Astec Corporation Co., Ltd.	5,000	0.02

*2 Phodhivorakhun group consists of:

- Phodhivorakhun Co., Ltd.	1,960,024	9.90
- K.Y. Intertrade Co., Ltd.	1,773,024	8.96
- Kang Yong Co., Ltd.	697,324	3.52
- Mr. Praphon Potivorakun	204,115	1.03
- Mr. Praphad Phodhivorakhun	170,970	0.86
- Mrs. Wattanee Phodhivorakhun	30,672	0.16
- Mr. Chayanind Phodhivorakhun	265,583	1.34
- Ms. Lapaslada Phodhivorakhun	9,600	0.05
- Mr. Vorapas Phodhivorakhun	5,600	0.03
- Ms. Bussakorn Phodhivorakhun	4,600	0.02

- The Company has imposed limitation on the number of shares which can be the foreigners (Foreign Limit) at 49% if the fully paid-up capital. As at April 5, 2022 the Company declared that 47.63% of the fully paid-up capital.

Amount of registered capital and paid-up capital

- On September 12, 2019, the Company has reduced the registered and paid up capital to 198 million baht or 19.8 million shares, number of ordinary shares 19.8 million shares from a par value of 10 baht per share.
- The Company does not issue shares other than ordinary shares.

Issuance of other Securities

- None -

Dividend payment policy

The Company has a payment policy to pay dividend approximately 50% of net profit after tax of financial statements in which the equity method is applied which upon the Company's operating results and economics situation.

Five years dividend payment history of the Company

Fiscal Year	2016	2017	2018	2019	2020
Earnings per Share (EPS)	60.72	32.69	8.56	31.38	50.42
Dividend per Share (DPS)	30.36	16.35	4.55	15.70	25.25
Dividend payment policy (D/P)	50.00%	50.01%	50.01%	50.03%	50.08%



RISK MANAGEMENT

Policy and Management Plan

The Company attaches importance to risk management, which is crucial to the achievement of its objectives and business operation with sustainable growth. Its risk management is under the governance by its Board of Directors, Audit Committee, and Internal Audit control Office.

The Company has reviewed and monitored emerging risks and uncertainties arising from internal and external factors that are changing rapidly amidst the global economic slowdown, as well as other risk facing the Company at present. This prevention aims to ensure that the Company has sound risk management, which can help prevent any possible damage to its business operation. In the fiscal year 2021, the Company drew up measures for and approaches to assessment and management of risks that may arise and affect its business operation, as follows:

Risk factors that have an impact on business growth

- Risks which have an impact on business growth

The rapid changes in home electrical appliance industry posed strategic challenges to the Company. Despite the consistent growth of home electrical appliance industry in various countries, competition in the sector also intensified with players applying multiple strategies through products, prices and sales promotion to increase their market share and expand their customer base. The Company had to adjust itself to cope with the rapid market changes and boost competitive advantages through differentiation to mitigate such risk.

Under the tough competitive circumstances in the previous year, the Company focused on adopting the strategy to increasingly grow its domestic market, Japan market, and export in other markets in a bid to diversify its product distribution risk by not relying too much on any single market.

Nonetheless, to ensure stable and sustainable growth, the Company adjusted its sales strategy for other export markets, working out a business plan with the sales companies in the respective countries with a focus on expanding market share and responding more to consumer demand with flexible marketing plans. Such marketing plans aimed to meet customer demand concerning product, price and sales promotion in various countries with diverse demand, such as innovation of products with more flexibility, specific designs for particular segments in particular markets, a variety of colors, and more new choices of product functions, etc. Moreover, expansion of distribution channels in each country was another critical strategy adopted by the Company.

- Risk associated with the coronavirus pandemic (COVID-19) which has an impact on the marketing

Despite the 3rd and 4th COVID-19 vaccination being held, the situation of the COVID-19 pandemic Omicron variant caused infected cases to increase in many countries, including Thailand. Many countries have begun to relax controlling measures for welcoming international travellers, including Thailand, to support the economy recover, especially in terms of tourism.

Working from home is likely to continue from last year, and social distancing is still necessary. The demand for new electrical products or bigger products to reduce the risk and the frequency of going out is an opportunity for the Company's growth.

The COVID-19 pandemic is both an opportunity and a risk to the Company's business operations. The opportunity is the expanded demand for the Company's products. However, the Company's production cannot fulfil all the orders due to COVID-19 affecting labor shortage in the manufacturing sector and the global supply chain problems such as raw material shortage and fluctuating prices, e.g. the prolonged global semiconductor shortage. The congestion at the port of the destination country makes it take a long time to load and unload goods; also, the high freight rates and vessel shortage are still unsolved. These are all negative factors that will cause the sale not to achieve the plan.

- **Risk associated with the conflict between Russia and Ukraine which has an impact on the marketing**

The conflict between Russia and Ukraine, if it continues, the war will affect the global economy by slowing economic growth after two years of dealing with COVID-19. It will also affect the price soaring of products, e.g. food, consumer products, parts and raw materials. The transportation costs will vary to the uncertain fuel prices, causing a trade disruption, supply chains problem, global monetary transaction problems, and freight rates remain at a high level, which directly affects the business of the Company.

- **Risk associated with technology changes and product development**

- **Changing in product development technology**

Home electrical appliances are products with intense competition in product design and development. The Company has developed its products every year concerning functionality, appearance, and energy saving so that all its products can compete well in the market. However, technological changes and product development could pose a risk of fast product obsolescence and rapid replacement by new models. The Company must, therefore, keep abreast of all changing circumstances carefully and conduct a study on product development trends to match market demand yearly to mitigate such risk.

At present, consumers give high priority to energy-saving when choosing products of their preference. In line with such a trend, the Company has strived to develop products with the best energy-saving feature.

In the previous year, according to the electricity-saving project of Electricity Generating Authority of Thailand (EGAT), Water pump product achieved the new Energy Efficiency Label from Label No.5 changed to Label No.5 with 3 Stars for R-series all models. The following priorities are features and product appearance which the Company dedicated to the development as well, such as 150L-170L 2-door bottom freezer refrigerator for Japan market. The refrigerator comes with a new outside appearance design and flat top-table for more storage space etc.

- **Changing in production technology**

The Company aware of risk associated with technology changes posed directly on the Company, the Company mapped out a plan on the modification and change in its production technology and future product line-up, with investment duly made in the following infrastructures:

- Implementing the tablet System to replace the “Cabinet card” checking sheet to verify the correctness from the beginning to the end of the refrigerator manufacturing process. It quickens the information searching about each refrigerator and reduces paper use.
- Implementing the refrigerator real-time printing system to the refrigerator production. As a result, the Company able to match the parts and label them with the producing model correctly.
- Implementing the robot system to the automatic water pump production (WP type) to ensure the product quality in the pressure tank production process.

- **Inventory management risk**

Inventory management improved in respect of Just-in-Time (JIT) manufacturing in several areas:

- Adoption of Kanban* (throughput card) for management of inventory volume in the work in process and warehouse as well as control of supply chain from receiving parts from part suppliers to passing on throughput in the production process, thus allowing for improvement of delivery schedule in that delivery frequency per day will be higher, hence fewer parts per lot, resulting in less space requirement and more expense saving in stockpiling.

*Note: Kanban is a tool to support running a pull production, thereby throughput volume for each process is matched with demand. It functions as a neurological pathway for lean management with the main benefit and target: producing what instructed, at the time instructed, and in the volume instructed only.

- The Company has considered changing the technology in the structure of part ordering system from part suppliers by using web ordering system and barcode system in receiving parts system as well as distributing parts system to increase accuracy, reduce workloads, and increase efficiency in managing raw materials and inventory.
- Improve the in-house logistic system from pushing system changed to pulling system. The Company changes from using a forklift to carry large quantities of transportation parts to an electric tow truck, then using parts shopping as needed to the production line instead to reduce work in process and reduce pollution that forklift release.

- **Risk involved with raw materials and supply chain**

Raw material procurement risk has still been an issue of priority for the Company. It has kept close watch of changing circumstances, especially in respect of fluctuations in raw material prices in the past year.

- Crude oil prices continued to fluctuate mainly from the world economy and the conflict between Russia and Ukraine, thus directly affecting prices of major raw materials used in the manufacturing process especially plastic resin, copper, aluminum and steel. Other costs also went up successively which damaged the Company’s operating costs. However, the Company has continued to conduct activity, to lower its costs amid the rising raw material cost, such as exploring raw materials of similar quality and specifications but at lower prices and new raw material sources that are more efficient and at lower cost, together with collaborating with business partners in working out new formula for production of parts that would improve production efficiency and help save cost while maintaining the quality of the parts.
- Risk from natural disasters at Thai domestic and abroad will pose an impact on the supply chain system, which involves suppliers of parts and raw materials, such as earthquakes and natural perils in some countries. To cope with such risk, the Company has drawn up a business continuity plan for management of trade partners both domestically and overseas.

- Risk from impacts of the policy from superpower countries such as trade war, sanction, as well as the changes in the US Federal Reserve's economic signals and interest rate policy, all of which have had impacts on raw material prices and production capacity, hence global volatility with a significant effect on the supply chain. The Company closely monitors the world situation in order to adapt to the rapid and constant changes.
- Risk of delayed delivery, as businesses and industries in many countries started to recover from the COVID-19 in the past year. It increased the demand for parts and raw materials significantly, especially steel, plastic pellets, electronic components, etc. Some suppliers face a shortage of raw materials in production or an insufficient production capacity problem to meet the demand. As a result, those suppliers adjust the production and delivery time to align with the current raw material procurement situation. Lockdown measures in many areas in Thailand and abroad affect the reduced production capacity and are insufficient to meet the demand. Also, the problem of container shortage and longer international shipping times are still going on. These factors have affected the Company by delayed shipments of parts and materials.

While the current situation is unavoidably adding pressure to our business, the Company is capturing and updating daily the latest operational status to prevent any risks that may cause the production and the transportation of raw materials and parts problem. Besides, the Company arranges the internal weekly meeting to coordinate together with all related departments. By summarizing and analyzing the issues to create the "Business Continuity Plan". It is including to prepare for the risk management, by having more than one suppliers to minimize the risk of shortage in raw materials and parts supply. Furthermore, the Company is also an excellent ally with the significant suppliers by focusing on close cooperation and regularly updating the production plan and the raw materials and parts purchasing plan in advance, to respond and prepare the precise supply plan.

• Financial risk

The Company exposes to reasonable business risk from changes in interest rates and foreign exchange rates, including from non-compliance with the contractual obligations of the contract parties, the Company does not hold or issue derivatives for speculation or trade.

Risk management is an essential part of business, which the Company has a system to control the balance of acceptable risk levels. By considering the cost of risk and the cost of risk management, the Company has constant control of the Company's risk management process to ensure that there is a balance between risk and risk control.

- Foreign exchange risk to which the Company is exposed arises from its sales of products and settlement of purchase prices of goods, raw materials, and machinery and equipment in foreign currencies. The Company has executed a forward contract for a period not longer than one year as a measure to hedge against risk from financial liabilities denominated in foreign currencies.

- Interest rate risk is the risk that arises in the future when the level of interest rates fluctuates, which will affect the Company's operation and cash flow. However, the Company believes that risk incidental to interest rates is insignificant because the Company does not borrow any loan and its deposits and other financial assets carry a short maturity period with interest based on the market rate. Therefore, the Company has not made any forward contract to prevent against such risk.
- Credit risk is risk arising from failure by customers or counterparties to repay debts to the Company as scheduled according to the agreed terms and conditions. The Company has mapped out a credit policy to regularly manage and control this risk by conducting a careful financial soundness analysis on all customers who apply for credit lines. The Company is confident that there will be no material impact from any uncollectible debts from its customers.
- Liquidity risk is managed by means of maintaining an adequate amount of cash and cash equivalents as required for business operation in order to minimize impact from cash flow fluctuation.

- **Labour risk**

The announcement of minimum wage increase in 2020, which make the wage in Samutprakarn lower than Chonburi and Rayong caused the Labor shortage which, is a problem facing all sectors in Thailand, especially the private manufacturing sector. The primary cause of this problem is the country's meagre increase rate of population and workers' increase preference for higher education which accordingly drives them away from the labour sector. This issue leads to a situation where employers have to compete for labour by offering better compensation and welfare to attract more people to work with them. The Company has adopted numerous measures, including competitive pay and welfare, and thus has been able to retain its labour and recruit new workers.

In addition, the Company has successively built bilateral collaboration with vocational educational institutes aiming to enhance their teaching and learning as well as real practical skills, and recruited quality foreign labor such as Cambodian labor, resulting in relief of labor shortage risk to some extent.

- **Risk concerned with changes in laws**

In the previous year, Thailand has enacted several new laws and regulations, such as; the Personal Data Protection Act, Governing environment law, safety and occupational health, and energy conservation. Also, there're new regulations on industrial standards and laws and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand with which listed companies must comply. Realizing the importance of this matter, the Company has assigned a work unit to be responsible for and following up on the enforcement of the laws and regulations to manage all legal and regulatory issues relevant to the Company, monitor and examine performance to ensure compliance with the laws in all respects. Furthermore, issue internal rules and regulations to be consistent with applicable law and strict cooperation in accordance with the state of an emergency announcement to prevent the coronavirus pandemic (COVID-19), which is considered a social responsibility.



SUSTAINABLE DRIVING BUSINESS FOR SUSTAINABILITY

2021 is the year that almost every country faced a massive challenge from the COVID-19 pandemic, such as the loss of its citizens, a huge burden on the public health sector to save the infected people, and government control measures to reduce the virus outbreak. Business operations of many sectors have been affected and must adapt quickly to maintain business continuity.

Sustainable Management Policy and Targets

“The business grows sustainably in parallel with the society, community, and environment.” The Company is well aware that the key factors contributing to the corporate success and sustainable development are gauged not only by profit, financial performance or economic growth but also by value-added the Company could create beyond its active duty or the extent required by law for itself, its stakeholders and the society at large.

The Company has an objective of operating its business with social and environmental responsibility under the philosophy of business operation as “One KYE for Our Customers.” It is committed to developing personal capabilities, innovating products of value, supporting customers’ wealth and growth, fostering quality of the society, and bringing sustainable returns to the shareholders so that the organization can stay happy with the community and the public, and concurrently bring ongoing prosperity to all stakeholders for the Sustainable Development.

Management of impacts on stakeholders in the business value chain **Business Value Chain**

The Company attaches great importance to the health and safety of employees and business partners by adhering to the principle of physical distancing, maintaining hygiene such as wearing a mask, handwashing with soap or alcohol, working from home to reduce bundling in the office by organizing work at home. The Company also arranges tools to support working online and daily health reporting system to follow up the employees’ health condition.

The Company has organized meetings via e-mail and online channels such as Microsoft Teams (MS Teams) to keep up with the situation and business operations for customers and business partners.

Stakeholder Connecting

In assessing the stakeholders, the Company’s work units in charge of dealing and coordinating with each stakeholder groups through the joint meetings and email: information@kye.meap.com. The Company has brought complaints, suggestions, and opinions as a guideline for improving operations and responding to the expectations of all stakeholders appropriately. According to the Company’s business ethics, Article 7, “Relationships with Stakeholders”, conducting business and coordinating relationships based on honesty and fairness promotes good cooperation that would bring about sustainable development and growth.

ustainability issues from different groups of stakeholders

Stakeholders	Requirements	Process	Guidelines and Strategy
 <p>Employees</p>	<ul style="list-style-type: none"> • Fair remuneration and proper welfare suited for economic conditions • Career advancement and security • Well-being and safety at workplace • Access to ongoing skill and knowledge development 	<ul style="list-style-type: none"> • Regular survey of market remuneration payment • Development of succession plan • Welfare Committee, and Occupational Health, Safety and Environment Committee • Preparation of personnel development roadmap • Development of communication channel between the Company and employees via Internet 	<ul style="list-style-type: none"> • Promotion of employees' fundamental rights at work pursuant to work regulations. • Payment of remuneration and other benefits on a par with the industry • Arrangement of work environment to ensure safety and good sanitation supportive to good work performance
 <p>Customers</p>	<ul style="list-style-type: none"> • Punctual delivery of safe and quality products in the required quantity • Offering of products at reasonable prices • Other services supportive to economic, social and environmental issues • Trade agreements under fair conditions • Keeping customers' information confidential • Accurate information on products and services 	<ul style="list-style-type: none"> • Survey of customer satisfaction • Making available system and channel for customers to lodge complaints on product and service quality and safety • Holding meetings for sharing of information and opinions/comments • Giving technical support to customers regarding use of the Company's products and services 	<ul style="list-style-type: none"> • Research, development and production of safe and energy-saving products • Quality policy • Training on technical knowledge and provision of knowledge on products to dealers • Trade agreement rules and criteria

Stakeholders	Requirements	Process	Guidelines and Strategy
 <p>Business partners</p>	<ul style="list-style-type: none"> • Equitable treatment of business partners and fairness in procurement • Fair consideration and agreements • Strict observance of agreements and conditions agreed upon 	<ul style="list-style-type: none"> • Making available transparent and examinable procurement system • Holding annual meeting to give explanation on the procurement policy for business partners' information • Holding meetings to track work progress to be in line with the plan on a continuous basis 	<ul style="list-style-type: none"> • Keeping abreast of procurement rules, regulations and criteria, such as those regarding selection of procurement sources • Rules and regulations regarding inspection and follow-up of procurement sources • Compliance with fair trade conditions
 <p>Shareholders</p>	<ul style="list-style-type: none"> • Bringing about worthwhile investment returns, both short-term and long-term • Building business growth and security • Fair and transparent management with adequate and timely disclosure of information 	<ul style="list-style-type: none"> • Holding annual general meeting of shareholders to allow for shareholders' exercise of rights to vote and express opinions on an equitable basis • Making available contact channel through Company Secretary and Company website 	<ul style="list-style-type: none"> • Disclosure of Company information in annual report, form 56-1, and press release • Availability of complaint filing channel • Additional channel for communication and disclosure of information, such as website
 <p>Community</p>	<ul style="list-style-type: none"> • Environment protection • Fostering of quality of life and good relationship with the community • Participation in community activity and respect for and preservation of local custom and tradition 	<ul style="list-style-type: none"> • Social activities and campaigns • Acknowledgment and sharing of opinions • Company management being key in coordinating with the community 	<ul style="list-style-type: none"> • Continuous communication with community leaders regarding community development • Regular cooperation with government sector in running activities of social and environmental contribution
 <p>Government agencies</p>	<ul style="list-style-type: none"> • Compliance with relevant laws, rules and regulations • Management of environmental quality and caring for the community 	<ul style="list-style-type: none"> • Attending seminars and training courses arranged by government agencies and keeping contact and coordination with relevant government agencies • Official or unofficial meetings and consultation with government agencies regarding regulatory compliance 	<ul style="list-style-type: none"> • Keeping abreast of developments of laws, rules and regulations • Making reports completely and by the deadline set forth • No payment to government officers without reasonable grounds

Sustainability Management in Environment and Energy Dimensions

Environmental Policy and Practice

The Company is well aware of the importance of the environment; therefore, the policy and goals are clearly defined and reviewed for continuous improvement annually. Employees at all levels have to adhere.

According to the 2022 Environmental Management Policy, “Contribute to realizing an affluent society that achieves both sustainability and safe, secure, and comfortable lifestyles through all company activities”, which the Company communicates and publicizes the said policy to internal and external that covers the stakeholders of the organization as well. The essential issues in environmental conservation activities are entitled to the system as follows:

1. Aim for continuous improvement and new value creation by implementing an environmental management system.
2. Contribute to climate change countermeasures and the formation of a recycling-based society by promoting environmentally friendly designs (3Rs, resource-saving product development) aimed at global environmental advancement.
3. Promote reduction of greenhouse gas and strengthening of management for a carbon-free society.
4. Promote energy conservation by pursuing an efficient production method.
5. Promote waste generation control, resources recycling, efficient use of water and reduction of pollution load.
6. Disseminate the environmental policy, provide technical guidance, and strive for ecological improvement activities for all employees, affiliated companies and cooperating companies as a whole Supply chain management (SCM).
7. Strengthen communication with local communities and raise awareness of environmental conservation by participating in local volunteer activities.
8. Comply with environmental laws and regulations and other requirements to improve the management level.

Environmental Performances

The Company focuses on natural resource conservation activities by using resources efficiently and adopting the principle of 3Rs (Reduce, Reuse, Recycle) as a guideline for production activities to make the use of resources worthwhile such as;

- Encourage each department to carry out Paperless projects to reduce paper usage.
- Encourage each department to carry out Paperless project to reduce paper usage including the application of appropriate IT technology such as Simmpo program (Simmpo maintenance management system), E-Quotation request, Alfresco software, Memo online, Training application, etc.
- Reduce product electrical power.
- Reduce the weight of finished goods.
- Reduce plastic pellets, oil paints and powder paints and reduce the metal scrap.
- Promote the reuse of plastic scrap, POM runner and plastic runner.
- Promote the reuse of treated water by installing a water filtration system.
- Reduce the use of plastic bags and foam container inside the Company.

- Promote and support green procurement by considering ordering office equipment and consumables that have been certified for environmentally friendly products such as green label products green basket labels Carbon Footprint Reduction labels, etc.
- Organize training for all new employees on environmental conservation.

Activities focusing on controlling the operations of various activities to prevent environmental toxicity such as;

- Carrying out a campaign for recycling waste sorting to reduce the amount of waste that must be taken to the landfill and establish a clean and orderly waste sorting center.
- Select industrial waste disposal operators that are authorized by the Department of Industry only.
- Change the metal material to a pre-coated metal (PCM) to cancel the painting process.
- Improve the quality of wastewater before discharging into public canals by controlling water quality before releasing it to be 20% more stringent than the law. Install a real-time water quality monitoring and alerting system. When the water quality is lower than the control criteria, the floodgate will close automatically to prevent it to the outside.
- Conduct environmental quality measurements, including wastewater quality, effluent quality, rainwater gutter, the air exhausted from the chimney, and noise level, to follow up and report to concerned government agencies.
- Checking the condition of the shuttle bus to reduce the emission of black smoke.
- The Company has been certified Green Industry Level 4 (Green Culture) by the Ministry of Industry, which represents an environmentally friendly business operation adhering to business operations with social responsibility inside and outside the Company, aiming for sustainable industrial development throughout the supply chain.



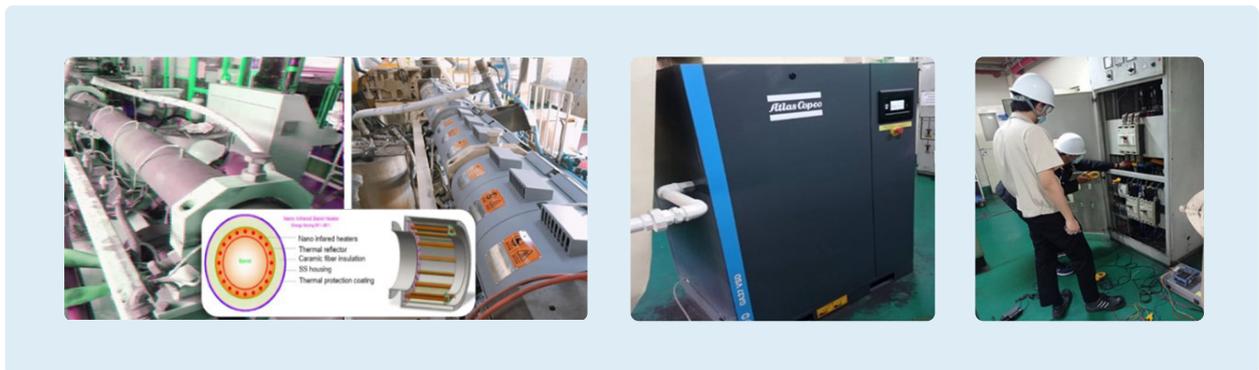
Energy Policy and Practice

The Company dedicated itself to producing energy-saving products for consumers and manage the energy used in the production system. Therefore, the Company has applied an energy management system since 2010, which is the duty of all executives and employees. In addition, in 2020, the Company certified with energy management standard ISO 50001: 2018 from TUV NORD (Thailand) Ltd. The Company has set an energy conservation policy to be operating guidelines. The Company is the first in the Mitsubishi Electric group that promote energy efficiency and maximum benefits. The Company has focused on energy conservation activities and energy management of machinery and equipment with significant-high energy consumption by changing or finding energy-saving devices to replace them with the following measures.

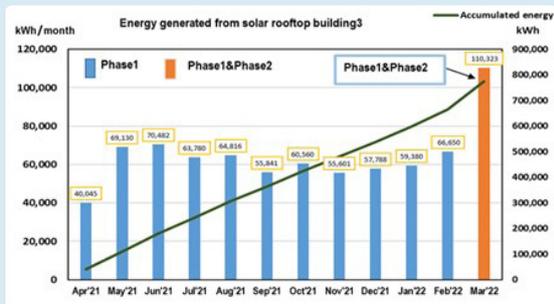
Electrical Measures

1. Change 28-watt light bulbs to be 18 watt LED bulbs total 80 sets, saving electricity 2,304 kWh/year.
2. Setting the on-off the Cooling Tower system 1 unit at break time, saving electricity 1,944 kWh/year.
3. Replace the 50 HP No.4-02 air compressor with one unit of high-efficiency air compressor, saving energy 187,404 kWh/year.
4. Change the Heater device of the injection molding machine from Band heater to Infrared heater 6 units, saving electricity 71,366 kWh/year.
5. Fixing air leakages of the air compressor system in the production line at building 1, 2, 3, 4, 9, and 11, saving electricity 305,345 kWh/year.
6. Change the Heater device of the Extrusion from Band heater to Infrared heater 2 units, saving electricity 74,073 kWh/year.

All measures can save electricity 642,436 kWh/year



In addition, the Company applied renewable energy use by installing a solar-cell power generation system on the roof of Building 3 with a total size of 939.9 kW, saving electricity 1,403,230 kWh/year and reducing energy costs by 5,781,308 baht.



Sustainability management in social dimensions

Social Policy and Practice

The Company focuses on doing business with respect for human rights and responsibility to stakeholders by adhering to the following practices:

1. Respect for Human Rights

The Company has established a code of conduct in accordance with the model of the Mitsubishi Electric Group by fostering respect for human rights without discrimination as to nationality, race, religion, social status or disability of its employees. It makes sure that no harassment of human right or discriminative action takes place while upholding a fair practice and ensuring job security for employees at all levels. Job opportunities are provided for non-Thai labor and the disabled as part of its workforce by having them tasked with duties of their capability based on the labor structure under Thai labor laws. Proper welfare and benefits are made available under the same standards. Moreover, the Company arranges meetings with the labor union on a monthly basis, with a common goal to improve the quality of working life and build up good labor relations between the Company and the employees. As a testament to its relentless efforts in this issue, the Company has received the Workplace with Outstanding Labor Relations and Welfare Management Award from the Department of Labor Protection and Welfare, the Ministry of Labor, for 15 consecutive years. This award has demonstrated an outcome of the Company's determination in labor relations management with best practices so clearly, and of which the Company, the labor union, and the employees have been proud.

2. Fair Treatment of Labor

Salary and Welfare

The Company has adjusted its salary structure to be compatible with competition in the labor market and to a rate above the authority's minimum wage payment as moral support for the employees' performance of duties. Performance of employees of all levels evaluated twice a year and the results of which used to determine annual promotion and salary increment.

Moreover, the Company has set up Workplace Welfare Committee following Labor Protection Act, B.E.2541, Section 96, with employee committee members and management representatives appointed to coordinate with Workplace Welfare Committee in determining welfare structure guidelines beneficial to the employees. Such committee will jointly meet to consider rationalizing basic welfare package in each year in line with the rising cost of living as a way to help cut down expenses for the employees. Employees also provided with the cost of living allowance, diligence allowance, and lunch allowance, as well as improvement of welfare canteen more coverage of medical expenses, annual health check-up, etc.

To improve employees' quality of life, the Company offers additional benefits apart from the basic welfare as below.

- Establishing Kang Yong Electric Saving Cooperatives since 2002 to enhance economic and social benefits to members through self-support and support for one another according to the cooperatives principle, comprising lending of loans at lower interest rates than commercial banks, financial assistance for members affected by natural disasters, and occupational training for retired employees.
- Arranging recreational activities for skill development and entertainment purpose, which will have positive effects on their mental and physical wellness, etc.
- Establishing a walled-off area as a lactation corner for employees, who are breastfeeding mothers, a breastfeeding support program provided by the Company since October 2016.
- Establishing a gym in the building (fitness room) since November 2019.

Occupational Health and Safety

The Company is always aware that employees are a group of people who are the key to moving the organization forward to success and prosperity. As such, a top priority is given to their safety from the moment they leave their residence for the workplace and vice versa, as well as while at work. "Zero Accident" is set as the target for strict implementation in business operation.

1. Occupational Health, Safety and Environment

The Company incorporates occupational health, safety, and environment into the yearly policy and action plan so that the executives, supervisors, and staff at all levels will cooperate in the implementation according to the policy consistently and efficiently. The Occupational Health, Safety and Environment Committee has set up composed of senior executives, supervisors at all levels and the labor union to ensure compliance with ISO 14001 environmental management standards and occupational health, safety and environment rules and regulations, as follows:

- The 5S and Kiken Yoshi Training (KYT) programs are used as a basis for implementing tasks according to the organization structure with the rectification of any risk-prone area that may cause danger, upholding the rules and regulations, and ensure staff wear personal safety equipment that is up to standards in risky area on a strict basis.
- All systems and measures are improved to prevent any danger from the operation of machinery and tools, such as the installation of equipment separating workspace of machinery controller from machinery spot. Staff is supervised and trained about how to use newly procured tools and machines with new technology based on risk assessment to mitigate risks at the average level or higher. Risks at all levels across the organization are contained, and set annual occupational health, safety, and environment objectives to be communicated to concerned staff to perform this task in a bid to develop a knowledge base in operation consistently.
- Safety knowledge and training are made available for all the employees and safety exhibition are regularly organized every year to instill awareness of occupational health, safety, and environment, in both theoretical and practical aspects, in existing and new employees to get ready for actual operation.
- The Company has simulated possible accident risk by setting up an unsafe realization room for production line and office to build awareness of potential danger and underline the degree of workspace inspection by supervisors to ensure safety. Traffic in the Company premises is improved to ensure safety for work operators and visitors, with clear specification of a pedestrian path around the building and a pedestrian crossing.
- Enhance the awareness of safety for all employees, all departments by organizing Safety Talk to share the information that employees can practice. The content consists of rules, regulations, and various safety practices to ensure maximum safety at work.
- The Company is committed to preventing accidents from work. Based on the idea that accidents from work-related can avoid. By encouraging for ongoing safety activities to reduce the statistics of accidents in the workplace to zero. Through the activities in accordance with Occupational Health and Safety plan continuously. As a result, the company received a plaque Zero Accident Campaign 2021 activity from the Ministry of Labor on July 1, 2021, receiving an award Gold level for third consecutive years (with 28,412,454 working hours).
- Enhance the awareness of occupational health for all employees, all departments by organizing Health Talk to maintain employees' physical, mental health and well-being in society and prevent health deviations caused by work.

Measures to prevent the coronavirus disease (COVID-19)

The Company is prioritizing a health and safety environment of our employees. In response to this situation, the Company executes the following three precautionary measures;

- Caring for employees; the Company implements the social distancing concept by separating the lunch break period, adding partition at the canteen at one time, and increasing the frequency of cleaning various touchpoints, daily temperatures taken with infrared thermometers on the shuttle bus, at the front gate, weekly ATK test for COVID-19 and arrange vaccination for all employees. Besides, the Company give away medical masks and alcohol sanitizer hand spray to employees. Install alcohol gel at various points.

KYE ห่วงใย ใส่ใจพนักงาน
ดำเนินการ "ฉีดวัคซีน" ให้กับพนักงาน

ขั้นตอนการตรวจ ATK 6 ขั้นตอน
- Antigen Test Kit -

1. เจ้าหน้าที่ตรวจคัดกรองเบื้องต้น (วัดอุณหภูมิและตรวจวัดอัตราการหายใจ)
2. สแกน QR CODE ระบุจุดคัดกรอง (เพื่อเชื่อมโยง QR CODE แล้วให้รายละเอียด)
3. รอเจ้าหน้าที่เรียกเข้าห้องตรวจ (ห้ามเข้าไปเมื่อรอที่จุดตรวจ)
4. เมื่อเข้าไปห้องตรวจ ให้ยื่นซองพลาสติก (ส่วนที่บรรจุตัวอย่างให้เจ้าหน้าที่)
5. อดทนนำกล่องและซองน้ำ (เพื่อไม่ให้เจ้าหน้าที่ตรวจไม่ผ่าน)
6. เมื่อตรวจเสร็จ ให้สวมหน้ากากอนามัย (ให้รีบออกไปเมื่อออกจากจุดนี้)

จุดวัดอุณหภูมิ
ภายในบริษัท

บริษัท มีจุดบริการวัดอุณหภูมิด้วยตนเองก่อนเข้าบริษัท สำหรับพนักงานที่เดินทางมาด้วยตนเอง

ทั้งหมด 3 จุด ดังนี้

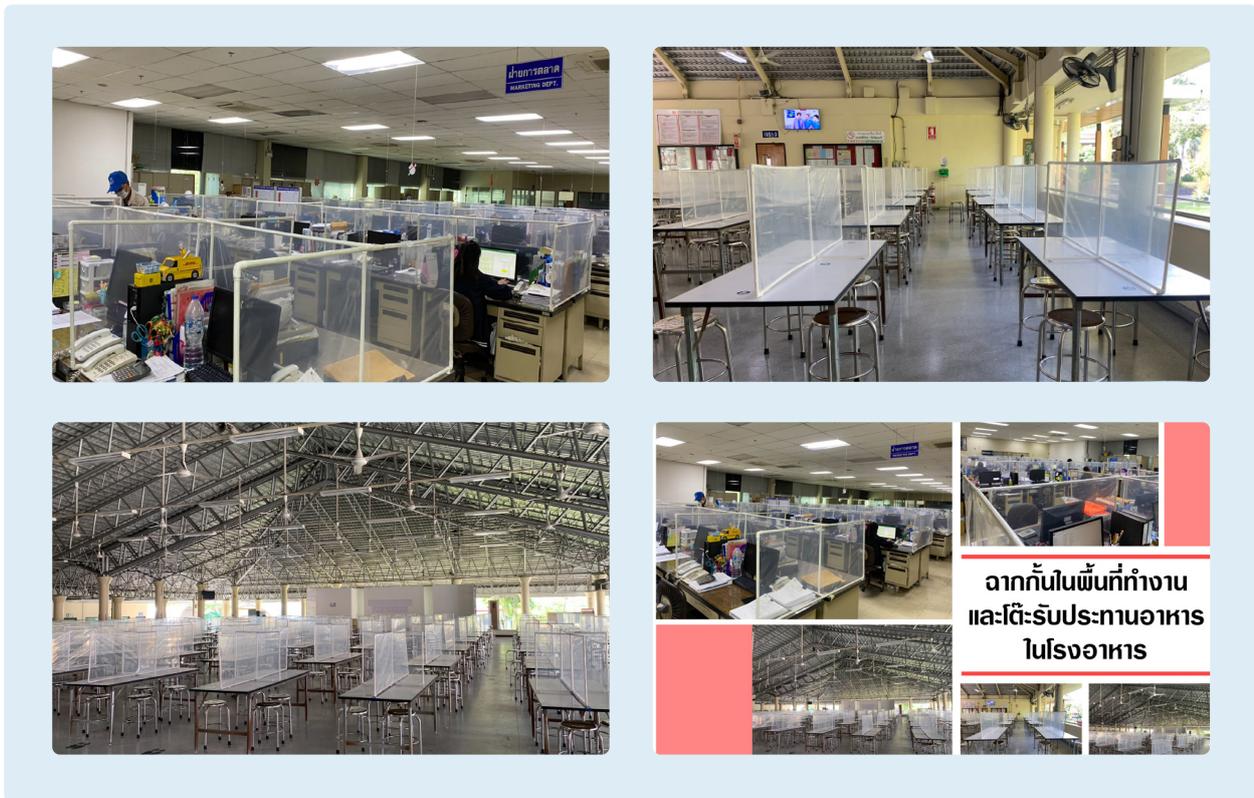
- จุดที่ 1: ทางเข้า-ออก ประตู 1 (ชั้น 1)
- จุดที่ 2: ทางเข้า-ออก ประตู 2 (ชั้น 1)
- จุดที่ 3: ทางเข้า-ออก ประตู 3 (ชั้น 1)

****ต้องวัดอุณหภูมิก่อนเข้าบริษัท ทุกครั้ง****

ร่วมกันฉีดวัคซีน สร้างภูมิคุ้มกันหมู่
ป้องกัน Covid-19

บริษัท ดำเนินการ "ฉีดวัคซีนเข็มแรก" ให้กับพนักงาน ในวันที่ 17.20.23 และ 24 กรกฎาคม 2564 โดยมีโรงพยาบาลเอกชน เข้ามาให้บริการฉีดวัคซีน เพื่อป้องกันโรค Covid-19 และเป็นการสร้าง ภูมิคุ้มกันหมู่ภายในบริษัทฯ ลดการติดเชื้อมรณะ และสร้างความมั่นใจ ให้กับพนักงาน นอกจากนี้ บริษัทฯ ยังเปิดโอกาสให้ครอบครัวพนักงานได้ ลงทะเบียนฉีดวัคซีนกับบริษัทฯ อีกด้วย

- Caring for operation; All employees are required to wear mask before enter to the workplace and during their works. Using web meeting or other platforms instead of conducting all the activities that bring the employees being together such as meeting, training, and exhibition. Moreover, the Company installed partitions in the working areas, relaxing areas, and smoking areas.



- Caring for visitors; on arrival, the visitors' temperature is checked, and possible exposure to coronavirus history taken, require to wear a mask, wash their hands or use hand sanitizer prior to entering, and practice social distancing



In addition to all mentioned measures, the Company has appointed the coronavirus pandemic (COVID-19) management committee to raise the awareness and prepare for the response, as well as, assess the situation to prevent problems, put in place appropriate preventive and control measures, increase communication channels with employees to receive and send news via the Company's Line official account so that all employees are able to follow and be aware of the current situation immediately.

2. Safety Outside Office Hours

Individual employees are deemed not only as a driving force for the Company's business operation to move forward with success, but also as a tower of strength for their family. Therefore, they must be both mentally and physically healthy to be ready for their work, especially for those who work in risk-prone and unsafe areas or even those whose working areas are risk-free. The Company provides welfare and arranges health-concern activities for the employees, such as anti-drug sports competition, don't drive drunk campaign from the eve of long holidays to enhance social responsibility awareness in order to prevent accidents during employees' trips back home upcountry and back to work, random drug and alcohol testing on staff shuttle bus drivers, and safety helmet campaign for staff who use motorcycles. Traffic accidents should be reported in order to increase the awareness of traffic accidents and ensure their highest safety.

In addition, emergency report is put in place in case of staff having accident outside office so that first-aid and urgent support can be timely provided.

3. Fair Business Operation

The Company is steadfast in conducting business ethically and transparently based on its management philosophy with awareness of corporate responsibility for the society at large. It encourages the directors, management, and all staff members to perform duty under the code of ethics and in line with the Mitsubishi Electric Group Conduct Guidelines, which the Company first communicated to its employees as work rules in 2007 and has revised from time to time to suit the circumstances, as below:

3.1 Fair Competition

- The Company adheres to the principle of conducting business in strict conformity with rules and laws governing trade competition and monopolization, both domestically and overseas, as specified in the "Mitsubishi Electric Group Conduct Guidelines". The Company has put in place "criteria for compliance with trade competition law" for internal implementation regarding "do's and don'ts" about meetings of trade associations or conferences and transactions with competitors to prevent Cartel grouping under trade competition and anti-monopoly law in its handbook for meetings and transactions with competitors since December 24, 2015. To ensure right understanding and practice according to such criteria, it has continually trained new executives and employees with self-learning system (E-Learning).
- The Company will not consent to, agree to, or exchange information with competitors in a way that could unreasonably restrict competition regarding products, prices, production, salability, sales conditions, bidding, or any other agreements, whether verbal or in writing, or expressed or implied. It will not have communication with competitors in any manner that could reasonably cause unfair competition.
- The Company will not violate any intellectual property rights or any other rights related to the intellectual property of any person by complying with the rules on intellectual property management.

3.2 Responsibility for Supply Chain

The Company has systematically, scrupulously and formulated a socially responsible procurement policy, entailing procurement control, supply source assessment, supplier selection etc. In doing so, it adheres to the ethical standards on “discharge of duty with integrity and righteousness while maintaining a cordial relationship with business partners” through mutually supporting cooperation as if being alliances in terms of technology, safety, output expansion, environmental problem reduction, and quality standard upgrade, so that they could move together toward business strength and stability.

3.3 Innovation and Publicizing of Innovation from CSR Activities

The Mitsubishi Electric’s ‘Changes for the Better’ slogan, which denotes a strong commitment to relentless development, emerges as the major driver for the Company’s dedication to and concentration on the use of innovation and new technology by embracing social and environmental responsibility and energy conservation in concurrence with continual product quality development and review of manufacturing process for higher efficiency. In 2020, the Company developed innovation for its products and manufacturing process as follows:

- **Electric Fan**

Developed a new motor with ball-bearings for the wall-type ventilating fans with 8, 10 and 12-inches propeller to increase the efficiency and quality to be more durable.

Developed a new generation of electric fans 5 models with a new flat, durable plastic grill that spreads the air out to the sides and efficiently sends the wind furtherly far. The new fan received the new EGAT No.5+3-star standard.

Developed a new cycle fan with 18-inches propeller made from PP-Fiber, a new material which is more durable.

- **Refrigerator**

Developed and produced the 2-door top freezer refrigerator with a capacity of 180L-220L with Compressor Cover for further strength and safety, and reduce any harmful risks to the compressor.

- **Water pump**

The Water pump products have improved the reduction of energy consumption in the production line by exploring old machines with high energy consumption and replacing them with new ones that use lower energy to reduce energy consumption and increase production potential. It also has activities to minimize the use of raw materials in the production process and continuously reuse the used raw materials based on the use of natural resources sustainably.

- **Production process**

Installed a tracking system to monitor the use of air compressors in each machine and also fixed air leak points in the compressed air system in the production process to save the electricity expenses.

3.4 Responsibility for Consumers

The Company adopts a policy on customer satisfaction management which consists of:

- Q: Quality : Manufacture products of high quality
- D: Delivery : Ensure product delivery of the type, in the quantity and by the time desired by customers
- C: Cost : Offer products at a reasonable cost

Health and safety for customers

The Company has conducted research and development and produced safe and quality products, with management systems that meet standard specifications relating to quality, safety, and environment. Its products are suitable for use and do not harm life and properties of consumers. Product warranty and after-sale services are also made available under the conditions set forth.

As customers and repair technicians in general sometimes use cheap replacement spare parts, which cause damage to the Company's products, the Company has leveled up its product safety by using non-flammable steel in the product structure to safeguard against spare parts that may spark a fire.

Procedures

1. Assess inflammable parts, which result from the use of components with wrong specifications and not up to safety standards.
2. Add steel sheet to cover inflammable parts to prevent damage to the products.
3. Attach warning label on the products and in the product manual, so that consumers will be aware and careful when having the products repaired by general technicians.

Display of product and service labels

The Company gives priority to providing customers with accurate information on the products. It thus attaches labels giving instructions for use, caution, and other information that are consistent with legal provisions on all of its products for maximum safety and benefits of the consumers. For example, as its refrigerator uses such refrigerant as R600a, which helps reduce global warming, but there is a caution that it is a flammable substance, the Company requires having a label "Caution" attached to the refrigerator, with the description thereon to see. It aims to ensure consumers are careful and concerned about any possible harmful effect when they have the products repaired or discharged if no longer in use. Therefore, only the "Instructions of Use" is not enough for the safe use of products.

Marketing communication and customers' privacy

- Make available to customers together with the product manual giving instructions of product use, care, and discharge when no longer in use, while information on product specifications provided in the catalog distributed to customers through dealers and display booths.
- Deal with customers in a polite, efficient and trustworthy manner.
- Conduct investigation right after receiving customers' complaints on product quality and safety, and track the results after remedial and preventive measures have been taken.
- Keep customers' information confidential and use no customers' information wrongfully and for personal or related persons' benefits.

On the side of energy saving, the Company is firmly determined to be among the leading producers that offer the most energy-efficient products to push for an upgrade of the New No. 5 energy saving with 3 stars standard applicable in the country for the optimum benefit of consumers in the future.

3.5 Community and Social Development

Being aware of the importance of all sectors that have given continued support of its business operation. The Company has consistently conducted a range of activities aiming to give back to the society, organizations, educational institutes and nearby communities, and to preserve local custom and tradition for fostering of a good society, as well as to inculcate into its employees at all levels the sense of responsibility and participation in CSR activities. In 2020, a number of activities were held as follows:

1. The arrangement of a trainee program for students by cooperating with educational institutions, in accepting students as trainees during school break to enhance their experience and allow them to earn extra income. They have received a certificate as evidence of completion of the program.
2. Ongoing provision of educational supports for bilateral students. The Company has signed the MOU to consistently arrange for bilateral education in collaboration with 14 vocational institutions in the Northeastern region. In 2021,
 - The Company cooperated with vocational institutions to provide their students with occupational experience in their field of study with enhancement of ability and understanding in new manufacturing technologies. Besides the experience of real practice, they were provided with specific know-how courses to enlarge their academic skill and knowledge out of a classroom.
 - Recruitment and employment of students having undergone the bilateral training with the Company.

CSR Activities and Reporting

CSR-after Process

Being aware of the importance of all sectors that have given continued support of its business operation, the Company has consistently launched a range of projects aiming to give back to the society and protect the environment, and to inculcate into its employees at all levels the sense of responsibility and participation in activities for the society.

In 2021, the Company won received distinguished awards for the dedication and contribution of its management and staff in pushing for operation with CSR from government agencies and private organizations. These awards bear testimony to the Company's commitment to being an organization that gives priority to labor relations, welfare, occupational health and safety in the workplace, as well as a manufacturer of home appliances with cutting-edge design and highest safety standard. They comprised:



- Awarded “Zero Accident Campaign 2021” from Ministry of Labor.



- Honor Awarded Corporate Social Responsibility, Department of Industrial Works: CSR-DIW Continuous AWARD 2021 from the Department of Industrial Works Ministry of Industry, for Fourth consecutive years.

- The Workplace with Outstanding Labor Relations and Welfare Management Award from the Department of Labor Protection and Welfare for 15 consecutive years (2007-2021).



- The Outstanding Organization for Disabilities Supporting Organization Award “Good Level” for the year 2021. and Honorary Award for supporting the employment of persons with disabilities “Thepmahesak Award”

Internal CSR

Education



- The Company has the policy to promote education through the provision of scholarships to its employees' children to help relieve their educational expense burden and extend educational opportunities for the youth. In 2021, altogether 81 scholarships with the total amount of 240,500 baht were given classified by academic levels as primary level, junior secondary level, senior secondary level, vocational level, and tertiary level (Undergraduate).
- The Company granted the 2021 National children's day's presents to the schools and the community in Samutprakarn in total 23 places.

CSR for Social, Community and Environment



- "Reduce the risk, build confidence and safe from COVID-19" by spraying disinfectant to prevent the spread of the COVID-19 by using a disinfectant spray machine and handing out alcohol gel at the bus stop in front of the Company and the nearby community, cleaning activities in Soi Wilalai and the surrounding area of the Company with nearby communities and other companies.



- Donate High-Flow Nasal Cannula and the Company's products to 10 hospitals for the benefit of the hospital's medical and encourage the medical personnel in the fight against COVID-19.



- "Punsuk Rice Box" donations of 1,400 boxes of food funded from employees to help foreign COVID-19 patients who treated at the field hospital in Samutprakan province.

- The Company continuously organized blood donation activities. With a team of Faculty of Medicine Siriraj Hospital to provide blood donation services, which such an event intended for employees including, the other people who are interested in donating blood for having sufficient blood supply to treat the patients at Siriraj Hospital.



- Donated the Company products to schools in Srisaket province.

- Visiting the people in nearby communities in every month to create a good relationship with people in the community.



MANAGEMENT'S DISCUSSION AND ANALYSIS

With reference to Kang Yong Electric Public Company Limited's submission of financial statements for the year 2021 (ended March 31, 2022) duly reviewed by a certified public accountant, we would like to give clarification on the Company's operating results and financial position as follows:

Summary of operating results for FY2021 in comparison with FY2020:

Unit: Baht million	For the year ended March 31			
	2022	2021	Diff.	%
Revenues from sales and rendering of services	7,897.9	8,285.8	(387.9)	-4.7%
Costs of sales and rendering of services	7,059.7	6,620.4	439.3	6.6%
%	89.4%	79.9%	9.5%	
Gross profit	838.2	1,665.4	(827.2)	-49.7%
Selling expenses	462.6	435.1	27.5	6.3%
Administrative expenses	651.2	631.1	20.1	3.2%
Investment income and other	588.1	535.9	52.2	9.7%
Profit before income tax	312.5	1,135.1	(822.6)	-72.5%
Tax expense	(24.6)	136.8	(161.4)	-118.0%
Net profit for the year	337.1	998.3	(661.2)	-66.2%

Revenues from sales and services, by business segment

Unit: Baht million	For the year ended March 31			
	2022	2021	Diff.	%
Domestic market	3,092.0	3,225.6	(133.6)	-4.1%
Japan	3,412.8	3,491.5	(78.7)	-2.3%
Others	1,393.1	1,568.7	(175.7)	-11.2%
Export market	4,805.9	5,060.2	(254.4)	-5.0%
Total	7,897.9	8,285.8	(387.9)	-4.7%

Other export markets include 16 countries, namely Taiwan, Hong Kong, Singapore, Malaysia, Myanmar, Philippines, Vietnam, Indonesia, Australia, New Zealand, UAE, Sri Lanka, Brunei, Russia, Qatar and Kuwait

Significant Change

The COVID-19 pandemic in Thailand and worldwide affected the Company's business operations throughout the fiscal year 2021. The difficulty in procurement of parts and raw materials, manpower management, production management, raw material shortage and price soaring increased the cost of the Company's products. The Company's expenses also increased from the cost of COVID-19 preventing and controlling measures.

Revenues from sales and services

For the fiscal year 2021, the Company's revenues from sales and rendering services decreased by 387.9 million baht or -4.7% from 8,285.8 million baht in the year 2020 to 7,897.9 million baht in the year 2021, divided into the following three major business groups as follow:

1. In the domestic market, revenue from sales and rendering services decreased from 3,225.6 million baht in 2020 to 3,092 million baht in 2021 or decreased 133.6 million baht or -4.1%, mainly due to the fewer sales of the refrigerator, electric fan, and ventilating fan.
2. Export to Japan market, revenue from sales decreased from 3,491.5 million baht in 2020 to 3,412.8 million baht in 2021 or decreased 78.7 million baht or -2.3% due to the fewer sales of the refrigerator and electric fan.
3. Export to markets elsewhere, the sales decreased from 1,568.7 million baht in 2020 to 1,393.1 million baht in 2021 or decreased 175.7 million baht or -11.2% due to the fewer sales of the refrigerator to Australia, Vietnam and Hong Kong.

Investment income and other income

Investment income and other income for the fiscal year 2021 was 588.1 million baht, an increase of 52.2 million baht or 9.7% compared to 2020. Increased income mainly came from Net foreign exchange gain increased by 35.3 million baht, investment income increased by 3.4 million baht, and other income increased by 13.5 million baht.

Cost of sales and expenses

The cost of sales and rendering services in 2021 accounted for 89.4% of revenues from sales and rendering services. The ratio increased by 9.5% compared to 2020 due to parts and raw materials prices soaring and electronics parts shortage; therefore, the cost of products increased.

Selling expenses increased from 435.1 million baht in 2020 to 462.6 million baht in 2021, increasing 27.5 million baht or 6.3%. As container shortages and freight costs increase has caused the cost of transporting goods abroad increases considerably.

Administrative expenses increased from 631.1 million baht in 2020 to 651.2 million baht in 2021, increasing 20.1 million baht or 3.2% due to the cost of COVID-19 preventing and controlling measures expanded 31.9 million baht when compared to the previous year.

Profit

In the fiscal year 2021, the Company posted a gross profit margin of 838.2 million baht or 10.6%, which was a -9.5% decrease compared to the previous year. After considering the growth of the selling expenses, administrative expenses, investment income and other income, and the reduction of income tax; therefore, the net profit for the year 2021 was 337.1 million baht or 4.3% of revenues from sales and rendering services which decreased by -7.7% from the year 2020 which had 12%. The net profit rate per share has dropped from 50.42 baht per share in the year 2020 to 17.02 baht per share in the year 2021. The return on equity in the year 2021 has decreased from 14.13% in the year 2020 to 4.11% in the year 2021.

Summary of financial position

Unit: Baht million	For the year ended March 31			
	2022	2021	Diff.	%
Cash and cash equivalents	739.3	755.5	(16.2)	-2.1%
Other current financial assets	3,030.0	3,600.0	(570.0)	-15.8%
Trade accounts receivables and Other receivables	1,230.8	1,122.1	108.7	9.7%
Value added tax related party	54.6	33.0	21.6	65.5%
Short-term loan to related party	98.2	94.6	3.6	3.8%
Inventories	1,180.5	768.6	411.9	53.6%
Other current assets	18.0	11.8	6.2	52.5%
Total current assets	6,351.4	6,385.6	(34.2)	-0.5%
Other non-current financial assets	2,328.4	2,607.1	(278.7)	-10.7%
Property, plant and equipment	1,491.2	1,464.5	26.7	1.8%
Other non-current assets	82.2	85.8	(3.6)	-4.2%
Total non-current assets	3,901.8	4,157.4	(255.6)	-6.1%
Total assets	10,253.2	10,543.0	(289.8)	-2.7%
Trade accounts payables and Other payables	1,509.6	1,240.3	269.3	21.7%
Deferred tax liabilities	333.7	412.5	(78.8)	-19.1%
Non-current provisions for employee benefits	276.2	305.1	(28.9)	-9.5%
Other liabilities	121.9	194.3	(72.4)	-37.3%
Total liabilities	2,241.4	2,152.2	89.2	4.1%
Total equity	8,011.8	8,390.8	(379.0)	-4.5%
Total liabilities and equity	10,253.2	10,543.0	(289.8)	-2.7%

Total assets

As of March 31, 2022, the Company recorded total assets of 10,253.2 million baht, decreased -289.8 million baht or -2.7% from the corresponding period of the previous year, with changes in essential asset items as follows:

- Cash and cash equivalents as of March 31, 2022, was 739.3 million baht, decreased from the previous year by -16.2 million baht or -2.1%.
- Other current financial assets as of March 31, 2022, was 3,030 million baht, decreased from the previous year by -570 million baht or -15.8% due to a reduction in short-term deposits with financial institutions. The cash was used for business operations due to an increase in inventories.
- Trade accounts receivables and other receivables as of March 31, 2022 was 1,230.8 million baht, an increase of 108.7 million baht or 9.7% from the previous year, mainly due to an increase in trade accounts receivable. The trade accounts receivable as of March 31, 2022 accounted for 1,202.3 million baht, an increased of 106.4 million baht from 1,096 million baht in the year 2020.
- Inventories as of March 31, 2022 amounted to 1,180.5 million baht, an increase of 411.9 million baht or 53.6% from the previous year due to a shortage of electronic components. The inventory value increased as the production capacity of parts suppliers were affected by the COVID-19 pandemic and the price of raw materials has significantly increased.
- Other non-current financial assets as of March 31, 2022, was 2,328.4 million baht, decreased by -278.7 million baht or -10.7 compared to March 31, 2021 due to the fair value adjustment of other investments.

Total liabilities

As of March 31, 2022, the Company had total liabilities of 2,241.4 million baht, a rising of 89.2 million baht or 4.1% compared to the previous year. The significant changes are as below:

- Trade accounts payable and other payables as of March 31, 2022 was 1,509.6 million baht, an increase of 269.3 million baht or 21.7%, mainly due to the trade liabilities increased as of March 31, 2022, which was 1,147 million baht, increased from 892.7 million baht in the previous year by 254.3 million baht.
- Deferred tax liabilities as of March 31, 2022 was 333.7 million baht, a decrease of -78.8 million baht or -19.1%, mainly due to a decrease in Gain on equity investments measured at fair value through other comprehensive income.
- Other liabilities as of March 31, 2022 was 121.9 million baht, declined by -72.4 million baht or -37.3% from the previous year due to corporate income tax accrued decreased by -56.9 million baht.

Cash cycle was six days slower from 27 days in 2020 to 33 days in 2021, resulting from the difficulty in inventory management. However, current ratio changed from 4.87 times in year 2020 to 4.16 times in year 2021; as can be seen the Company still has excellent financial stability.

Shareholders' equity

As of March 31, 2022, the Company recorded shareholders' equity of 8,011.8 million baht, decreased by -379 million baht or -4.5% from the previous year, due to various changes as follow:

- Shareholders' equity increased by 121 million baht from its comprehensive income for the year 2021 due to a net profit of 337.1 million baht and other comprehensive loss of -216.1 million baht.
- Shareholders' equity decreased from dividend payment in August 2021. the Company paid dividends to its shareholders in the total amount of 500 million baht at 25.25 baht per share, according to the shareholders' meeting as of July 22, 2021, approved the resolution.

Summary of financial information

	(Unit)	Ended March 31	
		2022	2021
Total assets	Baht million	10,253	10,543
Total liabilities	Baht million	2,241	2,152
Shareholders' equity	Baht million	8,012	8,391
Revenues from sales and rendering of services	Baht million	7,898	8,286
Total revenues	Baht million	8,484	8,822
Costs of sales and rendering of services	Baht million	7,060	6,620
Gross profit	Baht million	838	1,666
Selling and administrative expenses	Baht million	1,114	1,066
Net profit	Baht million	337	998
Financial ratios			
Liquidity ratios			
Current ratio	Time	4.16	4.87
Quick ratio	Time	3.31	4.20
Accounts receivable turnover ratio	Time	6.71	7.29
Average collection period	Day	54	50
Inventory turnover ratio	Time	7.24	8.52
Average age of inventories	Day	50	43
Accounts payable turnover ratio	Time	5.13	5.55
Repayment period	Day	71	66
Cash cycle	Day	33	27
Profitability ratios			
Gross profit margin	%	10.61	20.10
Net profit to sales ratio	%	4.27	12.05
Return on equity	%	4.11	14.13
Efficiency ratios			
Return on total assets	%	3.24	11.14
Return on fixed assets	%	47.11	92.51
Assets turnover ratio	Time	0.82	0.98
Financial policy ratios			
Debt to equity ratio	Time	0.28	0.26
Dividend payout ratio	%	*	50.08

* In process of seeking approval from the Annual General Meeting of Shareholders 2022



THE EQUITY AND SECURITIES' COMPANY

Name in Thai	:	บริษัท กันยงอิเล็กทรอนิกส์ จำกัด (มหาชน)
Name in English	:	KANG YONG ELECTRIC PUBLIC COMPANY LIMITED
Registered No.	:	0107536001257
Office and Factory	:	67 Moo 11 Debaratna Rd, Km. 20, Bangchalong, Bangplee, Samutprakarn 10540 Tel: 02-337-2900 (auto) Fax: 02-337-2440
Main Business	:	Manufacturer and exporter of Electric Home Appliance such as refrigerator, Electric Fan, Ventilating Fan and Water Pump under "Mitsubishi Electric" trademark
Registered Capital	:	19,800,000 ordinary shares at par value of Baht 10
Paid-up Capital	:	198 million Baht (As at March 31, 2022)
Home Page	:	www.mitsubishi-kye.com
Company's Coordinator	:	Corporate Strategic Planning Office Tel: 02-337-2900 ext. 1120 Fax: 02-337-2440 E-mail address: information@kye.meap.com

Reference

Registrar	:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Rd., Dindaeng, Bangkok 10400 Tel: 02-009-9000 Fax: 02-009-9991
Certified Public Accountant	:	Ms. Sophit Prompol Registration No. 10042 or Ms. Pornthip Rimdusit Registration No. 5565 or Ms. Kanokorn Phooriphanyawanit Registration No. 10512 KPMG Phoomchai Audit Ltd. 48 th Empire Tower, 195 South Sathorn Rd., Bangkok 10120 Tel: 02-677-2000 Fax: 02-677-2222 www.kpmg.com
Company's Secretary	:	Mr. Aniwat Saelim Kang Yong Electric Public Company Limited 67 Moo 11 Debaratna Rd., Km.20, Bangchalong, Bangplee, Samutprakarn 10540 Tel: 02-337-2900 ext. 1300 Fax: 02-337-2440
Company's Advisor	:	Mr. Prachak Dokphut Kang Yong Electric Public Company Limited 67 Moo 11 Debaratna Rd., Km.20, Bangchalong, Bangplee, Samutprakarn 10540 Tel: 02-337-2900 ext. 1502 Fax: 02-337-2440
Legal dispute	:	- None -



POLICY ON CORPORATE GOVERNANCE

The Company is determined to operate business in a fair, transparent and examinable manner under its corporate governance policy. The Board of Directors and the Board of Executive Directors adopt and direct the operational policy of the Company by giving importance to internal control, audit systems and supervising management to ensure that the Company's objectives and policies are efficiently satisfied within the purview of the laws and the code of business ethics.

In the fiscal 2021, the Company complied with the following categories of corporate governance principles as:

Rights of Shareholders

The Company recognizes the rights of shareholders to access correct and adequate information of the Company on a timely and equal basis. The Company submits notice of the shareholders' meeting together with documents containing complete and sufficient information for the meeting to the shareholders in advance as required by laws and also providing important details of the proposed issues, rationale and necessity, and opinion of the Board of Directors. Those who are not convenient may appoint a proxy or any of the Company's independent directors, who also are members of the Audit Committee, to attend the meeting and cast votes on their behalf. Moreover, the information is made available through the Stock Exchange of Thailand's SET Portal Straight Through system.



The Company sets to hold an annual general meeting of shareholders within 4 months from the end of the fiscal year. In 2021, the Company convened one annual general meeting of shareholders on Thursday, July 22, 2021 via electronic media (E-AGM) in accordance with the Emergency Decree E-meetings, 2563 B.E. The meeting system and broadcast live were at meeting room 121, Kang Yong Electric Public Company Limited to enable the shareholders to consider, comment or vote on the proposed issues properly at the meeting. Members of the Board of Directors, the Audit Committee and other Board committees, as well as the certified public accountants and the management of the Company, were present at the meeting to answer all queries raised by the shareholders on an equitable basis. Questions and answers were correctly and completely recorded in the minutes of the shareholders' meeting. The Board of Directors prepared the minutes of the shareholders' meeting and made it available on the Company's website within 14 days after the meeting date for the shareholders' ease of reference and examination.

The meeting was carried out as in the order set in the agenda without addition of any items. E-meeting for registration and to view the live audio-visual system from the meeting, using the E-Voting system to vote on each agenda

Equitable Treatment of Shareholders

The Company fully conforms to the code of best practices in relation to rights of the shareholders. In particular, the shareholders are given the right to propose agenda items for the annual general meeting and/or to nominate candidates for director election in advance, thus signifying a fair treatment of all shareholders. For the 2021 Annual General Meeting of Shareholders, the Company arranged for the shareholders to propose agenda items for the said meeting and/or nominate qualified persons for director election in advance during January 11 - March 11, 2021 and so notified the shareholders through the SET. Moreover, the Company posted information on its website at www.mitsubishi-kye.com, giving details about the procedure and method of consideration in a clear and transparent manner. For the 2021 Annual General Meeting of Shareholders, none of the shareholders proposed agenda items for such meeting and/or nominated qualified candidates for director election.

As for the 2022 Annual General Meeting of Shareholders, scheduled to be held in this July, the Company has similarly given the shareholders the right to propose agenda items for the meeting and/or to nominate candidates for director election in advance, by forwarding their proposed agenda items and director nomination to e-mail address at information@kye.meap.com or by fax or registered mail during January 10 - March 10, 2022, the matter of which was already notified by the Company to the SET, none of the shareholders proposed agenda items for such meeting and/or nominated qualified candidates for director election.

The Company has also provided convenience to non-Thai shareholders by making available meeting notice and relevant meeting documents in English version with due regard to their equitable rights as the shareholders of the Company.

Roles of Stakeholders

The Company is aware of and attaches importance to rights of all groups of stakeholders both in and outside the organization, including customers, shareholders and employees, in accordance with good corporate governance practices. The Company holds various meetings such as shareholders' meetings, meetings with customers and with vendors in order to strengthen mutual relationships to ensure fairness of price negotiation, and meetings with the Company's labor union. By doing so, all groups of stakeholders can be favorably treated and good relationships can be maintained between the Company and each group of stakeholders, as follows:

Shareholders

The Company recognizes the caring and respect for rights of the shareholders in accordance with corporate governance principles, as described in the topics 'Rights of Shareholders' and 'Equitable Treatment of Shareholders'.

Employees

1. Employees are provided with fair and reasonable compensation and welfare as follows:
 - Staff shuttle buses are provided for employee transport between the office and their residences.
 - Company canteens that offering hygiene food at a reasonable price.
 - Annual scholarships are granted to employees' children from elementary school to bachelor's degree level.
 - Other fringe benefits are also offered to employees at all levels, comprising wedding celebration, maternity leave, assistance in case of death of employees or any of their family members, provident fund, yearly health check-up, and savings cooperative.
2. A safe workplace has been maintained to ensure security of employees' life and properties.
3. Employee promotion, rotation, rewarding and punishment are conducted in a fair and ethical manner based primarily on the individual employees' educational background, competence and justification.
4. Importance is given to employees' equal opportunity of knowledge, capability and skill development on a consistent basis.
5. All applicable employee-related laws and regulations are strictly observed.

Customers

1. Products of the quality that meets or exceeds customers' expectation are delivered to customers under fair terms and conditions.
2. Customers are provided with correct, adequate and up-to-date information about products and services to be a basis for their buying decision. No exaggerated message shall be sent, whether through advertising or any other communication media, which could cause misrepresentation of quality, quantity or any conditions about the products and services among the customers.
3. Customers' confidential information is strictly treated and is not unethically used for personal benefit or for the benefit of any related party.
4. Customers' requirements are promptly satisfied and an efficient communication system and channel is provided for customers to file their complaints about product and service quality.
5. Consistent efforts are made on research, development and production of quality and safe products.

Trade Competitors

1. The Company abides by the fair competition rules.
2. The Company will not acquire its competitors' trade secrets by any unlawful or improper means.
3. The Company will not defame its competitors with any false or unethical accusation.
4. The Company has a policy in place to perform in compliance with the fair trade rules and laws, both at home and in the regions where its business is located, as well as anti-monopoly law and other trade competition laws.
5. The Company will not infringe the intellectual property rights or any other rights in relation to intellectual property of others.

Business Partners and/or Creditors

1. Creditors are treated fairly and equitably with fair benefits to both parties.
2. All agreements and agreed terms and conditions are strictly honored. In the case where any condition cannot be fulfilled, the Company will promptly notify its business partners and/or creditors in order to jointly seek remedial measures.
3. In making any business deal, fraud by demanding, receiving or seeking of any improper benefit must be avoided.
4. If any fraud by such demand, receipt or seeking of improper benefit is discovered, it must be notified to the creditors in order to jointly solve the problem in a fast and fair manner.
5. In the acquisition, procurement and selection of a trade partner company, such factors as quality, price, delivery period, technology and consistency in product supply will be taken into consideration.
6. A correct, complete and punctual financial report must be regularly submitted to the creditors.

Society, General Public and Environment

1. The Company has inculcated in its employees the social and environmental awareness and responsibility in accordance with the ISO 14001 standard.
2. The Company is responsible for and committed to preserving the environment as well as the custom and tradition of the local communities where it operates.
3. The Company regularly implements activities, both on its own and through joint effort with the government sector, for the development of the society, community and environment so as to upgrade quality of life in the communities where it operates.
4. Attempts are made to prevent an accident and control waste discharge to be better than the acceptable level.
5. The Company will promptly and efficiently address any issue arising from its operation that affects the environment and the community and will fully cooperate with the government sector and other concerned agencies.

Compliance with other good corporate governance principles

The Company attaches importance and adheres to corporate governance and business ethics by considering the appropriateness with the Company's business environment and the benefit to the Company as a whole, as well as, the Company's shareholders and stakeholders. Those additional good practices are:

1. The Company gives precedence to the issuing of annual general meeting invitations to shareholders in advance to provide the shareholders with sufficient and appropriate time to study the information. Also, the Company sets a date for the shareholders' meeting during July of every year, which the shareholders tend to be able to attend the meeting conveniently. The invitation letter for the shareholders' meeting also subjects to be posted on the Company's website not less than 30 days prior for the shareholders to prepare the meeting information in advance.
2. The Company establishes a method for taking care of the rights of minor shareholders such as allowing minor shareholders to propose candidates to be elected as directors in advance.
3. The Company examines the rights of shareholders to attend the annual general meeting thoroughly, in order to ensure that the proxy is correct and does not violate the rights of other shareholders who participate in the meeting.

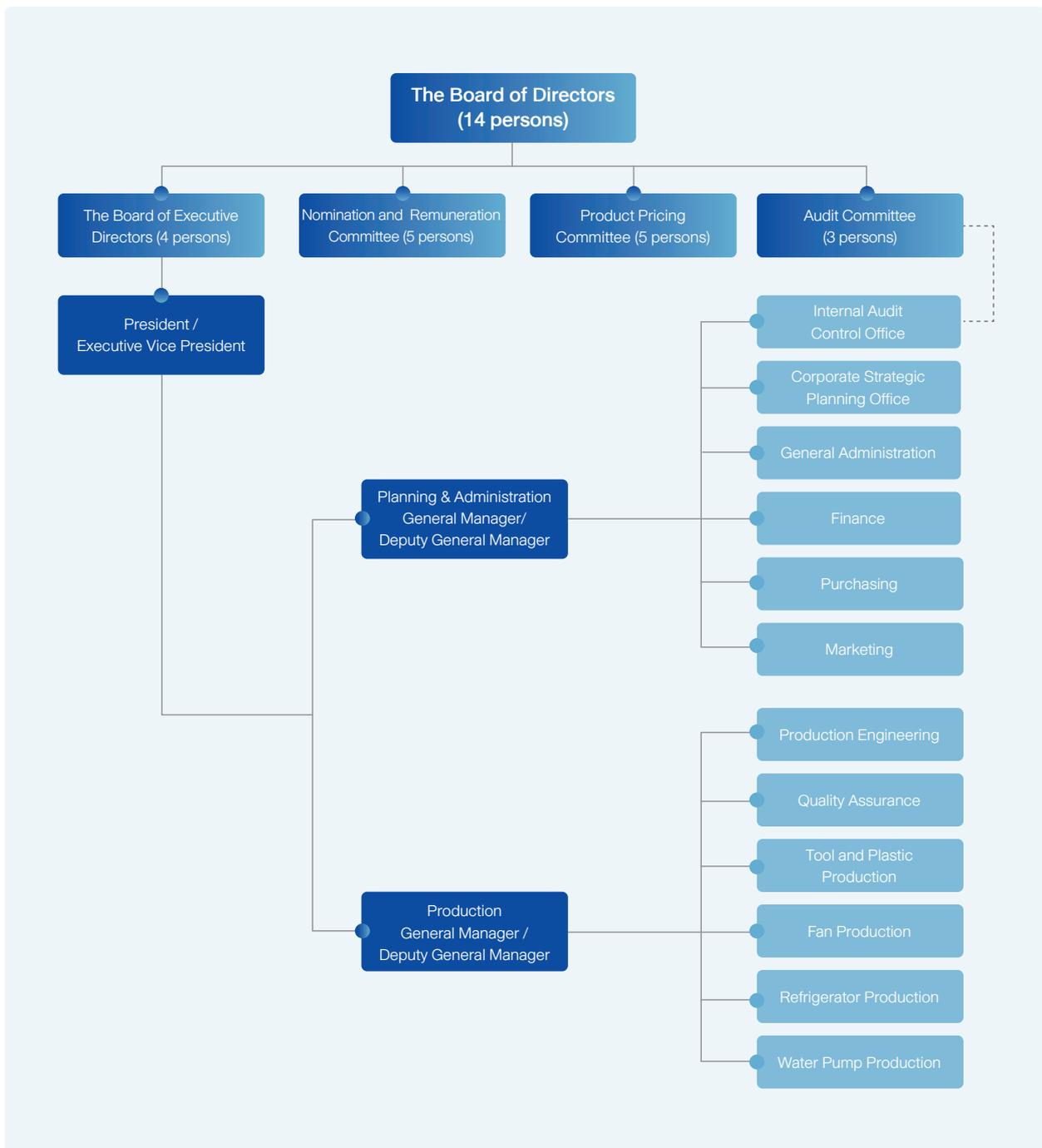


CORPORATE GOVERNANCE STRUCTURE

Management Structure

The Company's management structure is composed of the Board of Directors and the management. The Board of Directors has altogether 14 members, i.e. 5 executive directors and 9 non-executive directors. Of all the members, 5 are independent directors, representing one-third of the total Board members.

Management Structure as at April 1, 2022



The Board of Directors

The Company's Board of Directors is composed of 14 members, appointed by resolution of the Shareholders' Meeting and 5 independent directors. The Board has appointed four Board committees, namely Board of Executive Directors composed of 4 members, Audit Committee composed of 3 members (all of whom are independent directors), Nomination and Remuneration Committee composed of 5 members, and Product Pricing Committee composed of 5 members. Chairman of Audit Committee, Nomination and Remuneration Committee, and Product Pricing Committee are all independent directors.

List of the members of the board of director as at March 31, 2022, is shown below:

	Name	Position	Board of Director Meeting		
			Number of Meeting	Number of Meeting	
1.	Mr. Praphad	Phodhivorakhun	Chairman	7	7
2.	Mr. Takenori	Adachi ^{@3}	Vice Chairman	7	7
3.	Mr. Akira	Nakamichi ^{@4}	Director	7	7
4.	Mr. Chayanind	Phodhivorakhun	Director	7	7
5.	Mr. Hitoshi	Maruyama	Director	7	7
6.	Mr. Arthakrit	Visudtibhan	Independent Director	7	7
7.	Mr. Manu	Leopairote	Independent Director	7	7
8.	Pol.Maj.Gen. Sahaschai	Indrasukhsri	Independent Director	7	7
9.	Mr. Tanabodee	Kusinkert ^{@1}	Independent Director	5	5
10.	Dr. Apichai	Boontherawara	Independent Director	7	7
11.	Mr. Takeshi	Oshima ^{@5}	Director	7	7
12.	Mr. Kenichiro	Fujimoto ^{@6}	Director	7	7
13.	Mr. Tatsuo	Ono	Director	7	6
14.	Mr. Praphon	Potivorakun	Director	7	7
	Mr. Pumipat	Sinacharoen ^{@2}	Independent Director	2	2

Remark :

- The Board of Directors' Meeting 3/2021 on November 11, 2021 had appointed Mr. Pumipat Sinacharoen^{@2} replacing resigned director Mr. Tanabodee Kusinkert^{@1}
- The Special Board of Directors' Meeting 3/2021 on March 14, 2022 had appointed Mr. Keiji Oya, Mr. Yasuhito Negishi, Mr. Kunihiro Seki and Mr. Osamu Sugimoto replacing resigned directors, Mr. Takenori Adachi^{@3}, Mr. Akira Nakamichi^{@4}, Mr. Takeshi Oshima^{@5} and Mr. Kenichiro Fujimoto^{@6}.

Directors authorized to sign in binding the Company

Authorized directors: Either Mr. Praphad Phodhivorakhun or Mr. Chayanind Phodhivorakhun to co-sign with either Mr. Keiji Oya or Mr. Yasuhito Negishi, making up two signatories to bind the Company, with the Company seal affixed.

Responsibility of the Board of Directors

The Board of Directors has accountability to the shareholders in relation to the Company's business operation and monitor to ensure business is administered as targeted and brings maximum benefits to the shareholders with upholding of the code of business ethics and due consideration of the interests of all stakeholders.

The Board of Directors is duty-bound to comply with the laws, objectives and articles of association of the Company, and resolutions of the shareholders' meeting, as well as the criteria and regulations of the Stock Exchange of Thailand, Office of the Securities and Exchange Commission, and Capital Supervisory Board established pursuant to the Securities and Exchange Act, B.E. 2535 and the amendment by the Securities and Exchange Act (No. 4), B.E. 2551, and to discharge duties with integrity and prudence and in the best interests of the shareholders both at present and in the long run.

Board Committees

The Board of Directors appointed four board-level committees to help study and scrutinize matters as deemed necessary, details of which are as follows:

1. **Board of Executive Directors** was appointed by the Board of Directors, composed of four members:
 1. Mr. Praphad Phodhivorakhun Chairman of the Board of Executive Directors
 2. Mr. Keiji Oya Vice Chairman of the Board of Executive Directors
 3. Mr. Yasuhito Negishi Executive Director
 4. Mr. Chayanind Phodhivorakhun Executive Director

Authorized signatories: Either Mr. Praphad Phodhivorakhun or Mr. Chayanind Phodhivorakhun is authorized to co-sign with either Mr. Keiji Oya or Mr. Yasuhito Negishi, making up two authorized persons, with the Company's seal affixed.

Duty and Responsibility of the Board of Executive Directors It has duty to manage the Company on behalf of the Board of Directors, determine all policies, monitor and supervise the management to ensure the established policies are fulfilled, as well as screen and endorse any business to be further submitted to the Board of Directors for acknowledgement and/or for approval pursuant to the relevant criteria.

2. **Audit Committee** was appointed by the Board of Directors, composed of three independent directors:
 1. Mr. Arthakrit Visudtibhan Chairman of the Audit Committee
 2. Pol. Maj. Gen. Sahaschai Indrasukhsri Member of the Audit Committee
 3. Dr. Apichai Boontherawara Member of the Audit Committee

Duty and Responsibility of the Audit Committee It has duty to review the adequacy of the Company's internal control and management system and risk management system established by the management, review financial information, review the Company's legal and regulatory compliance to ensure the Company has in place a good corporate governance system and an appropriate, efficient and effective management as specified in the Audit Committee Charter, and then report the results to the Board of Directors for acknowledgement and/or for approval.

3. Nomination and Remuneration Committee was appointed by the Board of Directors, composed of five members:

- | | | | |
|----|-------------|----------------|---|
| 1. | Mr. Manu | Leopairote | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr. Praphad | Phodhivorakhun | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Keiji | Oya | Member of the Nomination and Remuneration Committee |
| 4. | Dr. Apichai | Boontherawara | Member of the Nomination and Remuneration Committee |
| 5. | Mr. Pumipat | Sinacharoen | Member of the Nomination and Remuneration Committee |

Duty and Responsibility of the Nomination and Remuneration Committee

1. To establish, and ensure clarity and transparency of, the policy, rule and method for nomination and remuneration of the Directors, Executive Directors and members of other board committees and propose for the Board of Directors' approval.
2. To nominate, select and propose qualified persons, as defined by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), to serve as the Directors, Executive Directors and members of all board committees for approval by the Board of Directors.
3. To review the structure of the Board of Directors and remuneration in conformity with changes in rules and regulations of the SEC and the SET by basing on the core structure of the Board of Directors, Board of Executive Directors and all board committees, and to review and ensure that it fits with the Company's business status and is commensurate with their duties and responsibilities for further approval by the Board of Directors.
4. To review and amend the NRC Charter to conform to changes in rules and regulations of the SEC and the SET.
5. To perform any tasks as assigned by the Board of Directors and concerned with directors' nomination and remuneration.

4. Product Pricing Committee was appointed by the Board of Directors, composed of five members:

Group 1 Two committee members who represent the stakeholders, namely Kang Yong Electric Plc. and Mitsubishi Electric Kang Yong Watana Co., Ltd.:

- | | | | |
|----|--------------|---------|---|
| 1. | Mr. Keiji | Oya | Member of the Product Pricing Committee |
| 2. | Mr. Yasuhito | Negishi | Member of the Product Pricing Committee |

Group 2 Three independent directors:

- | | | | |
|----|---------------------------------------|---|---|
| 1. | Pol. Maj. Gen. Sahaschai Indrasukhsri | Chairman of the Product Pricing Committee | |
| 2. | Mr. Manu | Leopairote | Member of the Product Pricing Committee |
| 3. | Mr. Arthakrit | Visudtibhan | Member of the Product Pricing Committee |

Duty and Responsibility of the Product Pricing Committee

1. To monitor and ensure that the Company's management determines prices for Mitsubishi Electric Kang Yong Watana Co., Ltd. in compliance with the Company's pricing policy, whereby prices shall be set at standard production cost plus a weighted average margin on all product categories of at least 20%.
2. To sign off every agreeable pricing with Mitsubishi Electric Kang Yong Watana Co., Ltd., whereby if there is any change in price that causes the Company to be unable to comply with the pricing policy, the Company shall add the standard production cost with an additional weighted average margin on all product categories of at least 10% and shall provide rationale thereof and seek unanimous approval from the Product Pricing Committee.
3. To monitor and ensure that the Company's management implements the pricing policy with integrity and due care and for the benefit of the Company. In the event that the Board of Directors discovers any act or omission of an act that causes damage to the Company, the Board of Directors shall take action to ensure the Company is compensated for such damage.

The Company's management

The Company's management composes of 17 persons as below:

- | | | | |
|-----|------------------|-------------------|---|
| 1. | Mr. Praphad | Phodhivorakhun | Chairman of Board of Executive Director |
| 2. | Mr. Keiji | Oya | Vice Chairman of Board of Executive Director
President |
| 3. | Mr. Yasuhito | Negishi | Executive Director, Executive Vice President |
| 4. | Mr. Chayanind | Phodhivorakhun | Executive Director
Deputy General Manager (Planning Administration)
Corporate Strategic Planning Office,
Department Manager (acting) |
| 5. | Mr. Atakrit | Siwasarit | General Manager (Planning Administration)
General Administration Department Manager (acting) |
| 6. | Mr. Sinchai | Kowitwatanapaisal | General Manager (Production)
Production Engineering Department Manager (acting) |
| 7. | Mr. Aniwat | Saelim | Deputy General Manager (Planning Administration)
Finance Department Manager (acting) |
| 8. | Mr. Hitoshi | Maruyama | Deputy General Manager (Production) |
| 9. | Mr. Nobumasa | Sasaki | Deputy General Manager (Production) |
| 10. | Mr. Pensak | Plavuthithothai | Internal Audit Control Office, Department Manager |
| 11. | Mr. Toshihiko | Sato | Purchase Department Manager |
| 12. | Mr. Hideki | Shibata | Marketing Department Manager |
| 13. | Mr. Mongkol | Thadtayatikom | Quality Assurance Department Manager |
| 14. | Mr. Renoo | Wornkhanthak | Tool and Plastic Production Department Manager |
| 15. | Mr. Supoj | Eupamae | Fan Production Department Manager |
| 16. | Mr. Traiwit | Wongtragul | Refrigerator Production Department Manager |
| 17. | Mr. Watcharaphon | Chomdong | Water Pump Production Department Manager |

Note : *The first four executives descending from Chairman of Board of Executive Directors are as designated in the Company's organization structure announced on April 1, 2022, comprising President, Vice President, Deputy General Manager, and Department Manager. Details are as presented in Enclosure No. 1

Management's Remuneration

During April 2021 - March 2022, the remunerations for 35 Executives (Executive directors and Executive managers) i.e. salary and other compensations are 92.08 million baht.

Manpower

As at March 31, 2022, the company has 2,105 employees detailed as follows:

1. Employees of production department	1,860	persons
2. Employees of production support department	102	persons
3. Employees of administration department	143	persons
Total	2,105	persons

Compensation of Employees

In the fiscal year 2021, the total payroll expense was 932.37 million baht that namely salary, wages, overtime and bonus. In addition, the Company has provided welfare for employees such as provident funds, medical expenses, and shuttle buses, etc.

Major labor disputes over the past 3 years

- None -

Employee Development Policy

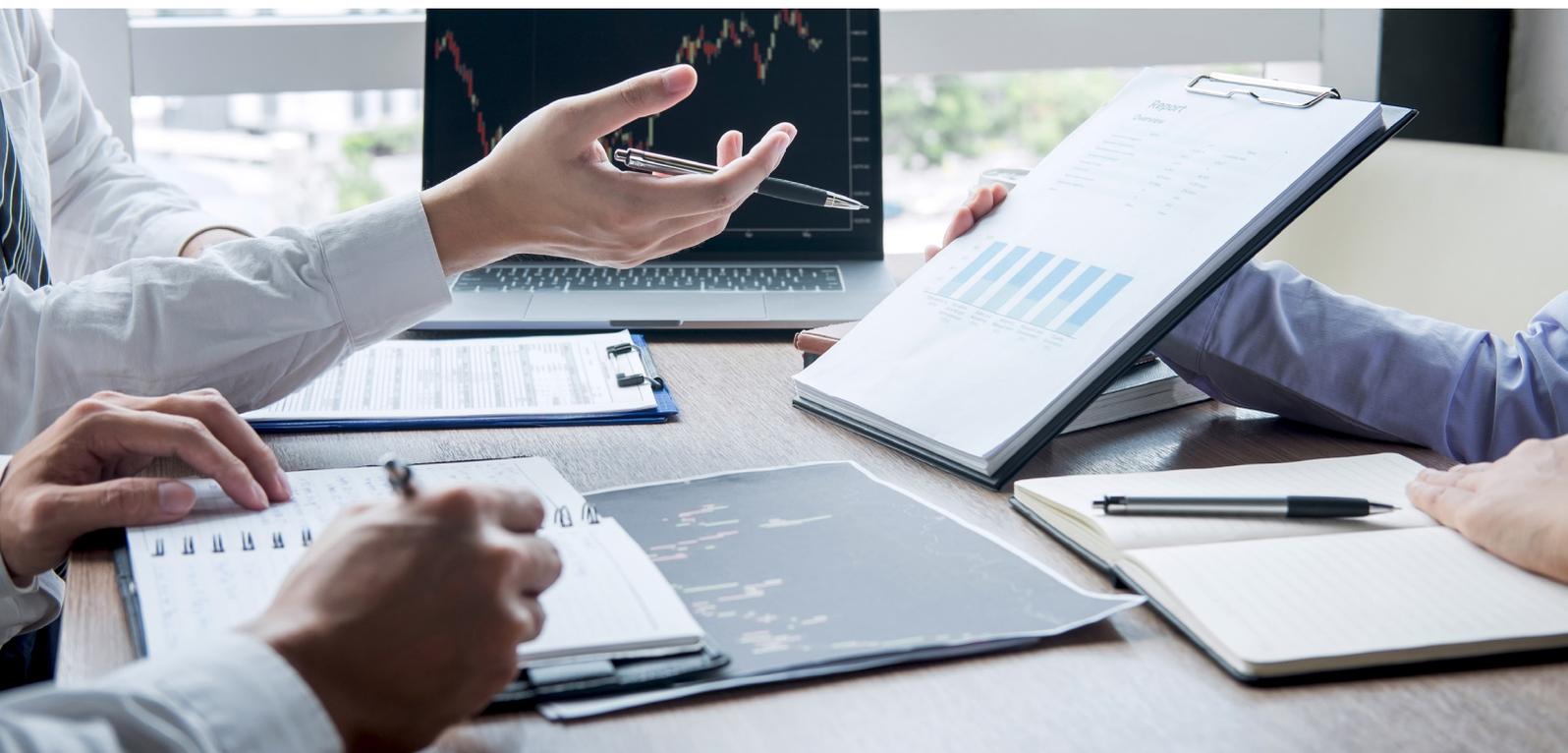
To develop the Company's organizational and employee's individual capabilities, in order to facilitate domestic and overseas business expansion, to cope with new technologies inaugurated to enhance employee skills, knowledge and competencies and also to prepare for more competitive environment in the future, the Company has established an organization responsible particularly for employee development and training. Budget is appropriately and sufficiently allocated for development and training in accordance with objectives of each department.

Thus, development and training schemes are determined as follows;

1. Internal Training: The Company examines training needs from among the superintendent at every level, considers annual management policy together with market trend and environment to determine the annual training plan. Internal training will be carried out every year by inviting instructors with expertise from external domestic or overseas organizations and institutes to consecutively provide knowledge and improve the employees' skills by the experts. In addition, the Mitsubishi Electric Group will provide training in ethics and business ethics as a common basis for employees in the Mitsubishi Electric Group.
2. External Training: The Company encourages employees to enhance the specific knowledge, therefore supports them to acquire up-to-date knowledge and go into details of each job function. The Company sends employees to train such expertise at each institution, including Mitsubishi Electric Asia (Thailand) Co., Ltd., which organized the employee development course for Mitsubishi Electric Group in Thailand.

3. **Technical Training:** The Company sends employees to participate in technical, management and organization management training by exchanging knowledge between more than 12 Mitsubishi Electric Group companies in Thailand, such as Siam Compressor Industry Co., Ltd. (SCI)
4. **Skills and Craftsmanship Training:** The Company arranges a Skill Contest to promote skills and craftsmanship using significantly in the Company such as gas brazing, soldering, painting, and precision, measuring tools and automatic machine, to level up the production skills and standard. The contest winner will be the Company representative to compete in Japan. The Company also providing a system of Skill master to maintain craftsmanship skills and teach and transfer the skill to the next generation of employees. The system gives reward to create incentives to learn more specialized skills.
5. **Overseas Training:** The Company enhances readiness and provides employees with opportunities to learn new know-how and techniques. The Company sends managers and staffs to attend meetings, seminars or training course both short and long term regarding technical and vocational issues, administration, management, safety, occupational health and environments arranged at Mitsubishi Electric Corporation in Japan.
6. **Linguistic Learning:** The Company enhances and prepares language skill by organizing Japanese and English language learning course inside the Company. It is also to support sales expansion and strengthen a communicating basis with foreigners.

In addition to development and training plan to increase employee skills and knowledge as stated above, the Company has established rank and position determination regulation in order to clarify career path and criteria for performance appraisal increase employee morale in every level. The Company will motivate, encourage and support employee to obtain career competencies and opportunities to grow and progress through career path in correlation with their knowledge, competencies and experiences.



Other Information

The Corporate Secretary

The Board of Directors has approved the appointment Mr. Aniwat Sae-Lim as a Corporate Secretary since May 25, 2016 to comply with the Securities and Exchange Act (No.4) B.E.2551 Section 89/15 and 89/16.

The duties and responsibility of the Corporate Secretary

1. Preparing and keeping the following documents:
 - 1.1 A register of directors
 - 1.2 A notice calling directors' meeting, the minutes of the board of directors and an annual report of the Company
 - 1.3 A notice calling shareholders meeting and the minutes of the shareholders' meeting;
2. Keeping a report on conflict of interests, reported by a director or an executive.
3. Arrange the Board of Directors Meeting and Annual General Meeting of Shareholders.
4. Orientation and advising the new director.
5. Liaise with the regulatory agencies such as the Stock Exchange of Thailand.
6. Disclosure and information reporting to the regulatory agencies and public which comply with the law properly.
7. Operating any act that is abided by the Capital Market Supervisory Board and assigned by the Board of Directors.

Remark : The Corporate Secretary profile and detail are displayed in the attachment 1

Auditor's Remuneration

- Audit fee
The Company paid an audit fee for the past year to KPMG Phoomchai Audit Ltd., with which its auditor was working, in a total amount of 1,431,000 baht.
- Non-audit fee
- None -



Nomination and Appointment of Directors and Top Management

Nomination of Independent Directors

The Company considers its independent directors' qualifications based on the criteria set forth in notification of the Capital Market Supervisory Board, as follows:

1. Not holding shares more than 1% of the total number of voting shares of the company's its subsidiary, major shareholders or controlling persons including shares held by related persons of the independent director.
2. Not being or having previously been an executive director, employee, staff or advisor who receives a regular salary of the Company or a controlling person of the Company or its associates or major shareholder, unless the foregoing status ended not less than two years prior to the date of appointment.
3. Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of others directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its associates.
4. Not having or having previously had a business relationship with the Company, its subsidiary, major shareholder or controlling person, in a manner which may interfere with the independent director's independent judgment; and not being or having previously been a substantial shareholder or controlling person of the Company, unless the foregoing status ended not less than two years prior to the date of appointment.
5. Not being or having previously been an auditor of the Company, its associates, major shareholder or controlling person; nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its associates, major shareholder or controlling person, unless the foregoing relationship ended not less than two years from the date of appointment.
6. Not being or having previously been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its subsidiary, major shareholder or controlling person; and not being or having previously been a substantial shareholder, controlling person or partner of the professional advisor, unless the foregoing relationship ended not less than two years from the date of appointment.
7. Not being appointed as a representative of the Company's director, major shareholder or a shareholder who is a related person of the major shareholder.
8. Not conducting any business which is of the same nature as, or in competition with, the business of the Company or its associates in material aspect; nor being a substantial partner of a partnership, or an executive director, employee, staff or advisor who receives a regular salary, or a shareholder holding more than 1% of the total number of voting shares of any entity whose business is of the same nature as and in competition with the business of the Company or its subsidiary in any material aspect.
9. Not possessing any other characteristics which lead the independent director to be unable to render independent opinion regarding business affairs of the Company.



Nomination of Directors

In the appointment of directors, the Nomination and Remuneration Committee (NRC), whose three members, out of its total five members, are independent directors, has duty and responsibility for selecting and screening qualified persons as prescribed in the Company's Articles of Association and nominating the qualified persons based on the structure, size and composition of the Board of Directors for independent directors' qualifications shall be set forth in notification of the Capital Market Supervisory Board.

The Company provides an opportunity for the minority shareholders to participate in nominating qualified persons within a specified timeframe and under the established conditions. Names of candidates proposed by NRC and minority shareholders will be considered through the nomination process, taking into account factors such as knowledge, competence and track record of the candidates. The said nomination is proposed to the Board of Directors for approval and then to the shareholders' meeting for further election of directors under the following rules:

1. Directors shall be elected at the meeting of shareholders under the following rules and procedures:
 - (1) A shareholder has votes equal to one share per one vote.
 - (2) In the director election, votes shall be cast for either an individual or total number directors to be elected at such meeting of shareholders, as deemed fit by the meeting. In the election of either an individual or several directors, each elected person shall receive votes from a shareholder in the full amount of shares held by that shareholder under (1). The shareholder shall not divide his or her votes to any person in any number.
 - (3) The candidates shall be appointed as directors in order descending from the highest number of votes received to the lowest, and in the number of directors required in such election. In the case where there is an equality of votes cast for candidates in lower order causing the number of directors to be greater than that required, the chairman shall have a casting vote.

2. In case of any vacancy of the Board of Directors occurring for any reason other than by rotation, the Board of Directors may elect any person having qualifications and not possessing any prohibited characteristics prescribed in Section 68 of the Public Limited Companies Act B.E. 2535 as amended by the Public Limited Companies Act B.E. 2544 as director to fill the vacancy in the next meeting.

Resolution of the Board of Directors in the first paragraph shall be passed by a vote of at least three-fourths of the total number of remaining directors. Nomination of candidates for director election shall be considered by the Nomination and Remuneration Committee before proposing to the meeting of shareholders to pass a resolution thereon, as the case may be.

Self-Assessment of the Board of Directors

According to the good corporate governance for listed companies, it is suggested that listed companies' board of directors and committee members should assess their performance at least once a year so as to allow them to jointly evaluate their performance and seek rectification and improvement measures. The Company has properly reviewed its Board self-assessment guidelines and criteria to be consistent with those of the Stock Exchange of Thailand. The Board meeting on February 10, 2022 accordingly approved for the Company to have self-assessment of the Board of Directors conducted at least once a year only as a whole Board in the first place as the Company has just implemented such assessment for 2021 the sixth year. The Company by the Company Secretary sent the Board members the self-assessment form in February 2022 for the Board to evaluate their 2021 performance, and the result of which was reported to the Board meeting on May 19, 2022. The Board's self-assessment result for 2021 comprised three sections:

1. Board structure and qualifications
2. Board of Director meeting
3. Roles, duties and responsibilities of the Board

In conclusion, the earned average score is 3.99 out of the full score of 4 All criteria points have good average score (in a 3.0-4.0 range), reflecting the Board's performance of duties according to the good corporate governance principles at a well to excellent level.

Note: Scoring system and definition:

- 0 = Strongly disagree or never conducted
- 1 = Disagree or seldom conducted
- 2 = Fair or moderately conducted
- 3 = Agree or well conducted
- 4 = Strongly agree or excellently conducted

Attendance of Directors

In fiscal 2021, the Company held a total of 7 Board of Directors' meetings. Meetings of other board committees consisted of 4 meetings of the Audit Committee, 3 meetings of the Product Pricing Committee, and 3 meetings of the Nomination and Remuneration Committee, whereas the Board of Executive Directors held the meeting twice a month in order to enable the Company to carry on its operation with flexibility and efficiency. Most of the directors regularly attended the meeting. Details of meeting attendance by the individual directors are as tabulated below:

Information as of March 31, 2022

Board of Directors			No. of attendance/No. of meetings held				
			BOD	AC	PPC	NRC	Total
1.	Mr. Praphad	Phodhivorakhun	7/7			3/3	10/10
2.	Mr. Takenori	Adachi	7/7		3/3	3/3	13/13
3.	Mr. Akira	Nakamichi	7/7		3/3		10/10
4.	Mr. Chayanind	Phodhivorakhun	7/7				7/7
5.	Mr. Hitoshi	Maruyama	7/7				7/7
6.	Mr. Arthakrit	Visudtibhan	7/7	4/4	3/3		14/14
7.	Mr. Tanabodee	Kusinkert	5/5	3/3	2/2		10/10
8.	Mr. Manu	Leopairote	7/7		3/3	3/3	13/13
9.	Pol. Maj. Gen. Sahaschai	Indrasuksri	7/7	4/4	1/1	2/2	14/14
10.	Mr. Takeshi	Oshima	7/7				7/7
11.	Mr. Kenichiro	Fujimoto	7/7				7/7
12.	Mr. Tatsuo	Ono	6/7				6/7
13.	Dr. Apichai	Boontherawara	7/7	1/1		3/3	11/11
14.	Mr. Praphon	Potivorakun	7/7				7/7
	Mr. Pumipat	Sinacharoen	2/2			1/1	3/3

Note : Definition of each committee meeting:
 BOD = Board of Director
 AC = Audit Committee
 PPC = Product Pricing Committee
 NRC = Nomination and Remuneration Committee

Remuneration for Directors and Executives

Directors' remunerations

The Company paid monthly retainer fee and meeting allowance during April 2021 - March 2022. The details of the directors' remunerations are as follows:

No.	Name	Position	Remuneration (Thousand Baht)				Total
			BOD	AC	NRC	PPC	
1.	Mr. Praphad Phodhivorakhun	Chairman	474		138		612
2.	Mr. Takenori Adachi	Vice Chairman	408		138	81	627
3.	Mr. Akira Nakamichi	Director	330			81	411
4.	Mr. Chayanind Phodhivorakhun	Director	330				330
5.	Mr. Hitoshi Maruyama	Director	330				330
6.	Mr. Arthakrit Visudtibhan	Independent Director	330	368		81	779
7.	Mr. Manu Leopairote	Independent Director	330		204	81	615
8.	Pol. Maj. Gen. Indrasukhsri Sahaschai	Independent Director	330	92	248	37	707
9.	Mr. Tanabodee Kusinkert	Independent Director	230	176		74	480
10.	Dr. Apichai Boontherawara	Independent Director	330	72	138		540
11.	Mr. Takeshi Oshima	Director	330				330
12.	Mr. Kenichiro Fujimoto	Director	330				330
13.	Mr. Tatsuo Ono	Director	330				330
14.	Mr. Praphon Potivorakun	Director	330				330
	Mr. Pumipat Sinacharoen	Independent Director	100		46		146
Total			4,812	864	756	435	6,867

Remark : - Acronyms BOD = the Board of Directors
AC = Audit Committee,
NRC = Nomination and Remuneration Committee
PPC = Product Pricing Committee

Monitoring of Associated Companies

The Board of Directors has a mechanism for overseeing and controlling associated companies with responsibility for their operation in order to protect the Company's interest in such investment. The meeting of the Board of Executive Directors shall appoint a director or executive as representative of the Company to serve as director of its associated company, having duty to determine policies that are crucial to business operation, give approval, express opinion and follow up on the operation of such entity.

Control of Insider Information

The Company has in place measures and policies for managing security of its confidential business information, including not only trade secrets but also other significant information, so as to prevent any leak of such information as well as prevent any executive or work unit that has access to insider information from disclosing it to any third party or any person unrelated to the Company's business. The Company has therefore established a hierarchy of information secrecy and a framework of responsibility to prevent the use of insider information for personal benefit or for the benefit of other parties, whether directly or indirectly.

In addition, the Company discloses the holding of securities by its directors, top management and finance department manager in the annual report. Any change in such securities holding shall be reported to the SEC under the Section 59 of the Securities and Exchange Act B.E.2535, and also notified to the Company Secretary for preparing a report on change of securities holding and outstanding amount of securities holding by the directors and top management for further submission to the next meeting of the Board of Directors.

Information Disclosure and Transparency

The Company has disclosed information as required by the SET such as financial reports, changes of directors and members of board committees, approval of connected transactions, etc. via the SETLink system after every Board of Directors' meeting or shareholders' meeting, and already published such information in the annual report and annual registration statement (One Report) covering report on operating results, financial statements, management's discussion and analysis, and report on the Board of Directors' responsibility for the financial statements to ensure transparency for the benefits of the shareholders. Investors can also ask for more information by contacting its Investor Relations Division at telephone number 02-337-2900 ext. 1120 or at e-mail: information@kye.meap.com

Prevention of Conflicts of Interest

The directors and the management must make any decision and actions for the Company's best interests. If there is a conflict of interest, directors or executives will bring such matters to the Board of Directors or the shareholders' meeting to consider the necessity of doing the said transaction and the impact that will occur, as the case may be. In considering and approving transactions that may cause conflicts of interest, directors with interests in such transaction will not be able to vote in that resolution. In addition, the new Securities and Exchange Act has assigned the Company's directors and executives to prepare reports on their interests and related persons for the Company to acknowledge. The Act also stated that directors, the management and their related persons are responsible for preparing a report on the change in holding the Company's securities within three business days after the transition to the Company. The corporate secretary is eligible for sending copies to the Chairman of the Board of Directors and the Chairman of the Audit Committee every six months regularly. Besides, the Company has reported the connected transactions following the Securities and Exchange Commission (SEC) rules, which disclosed in the financial statements and the annual registration statement.

Anti-Corruption

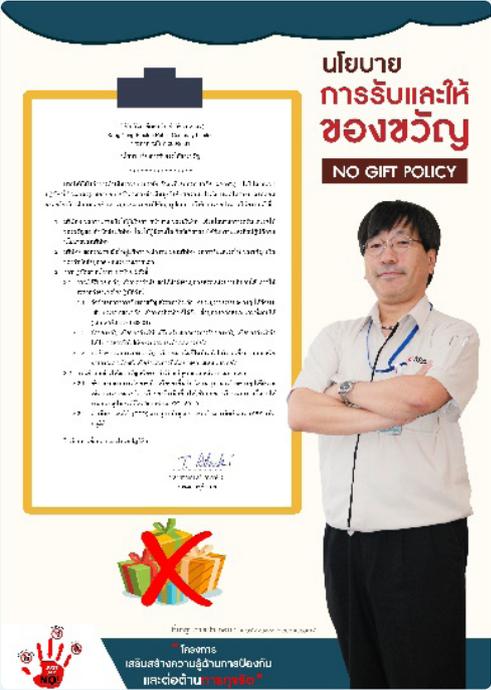
Anti-Corruption Policy

The Company has a policy against corruption announcing on the Company's website to enable all directors, executives and employees to perform their duties under the Company's business ethics and to fight against corruption in all forms. To build confidence in the Company's stakeholders, the Company has set up the appropriate anti-corruption guidelines and measures, clear anti-corruption training for employees and anti-corruption communication both internally and externally.

Anti-Corruption actions

The Company has Anti-Bribery Rules, which is a requirement and guideline for the Company, directors and employees to comply with and requires all employees to operate their work with honesty and express their awareness of their duties and responsibilities.

Other important actions



นโยบายการรับและให้ของขวัญ
NO GIFT POLICY

- Requested cooperation from the supplier to refrain from giving any gifts to executives or employees in the New Year season and any other festival.



- Provided training and campaigning for employees to realize the importance regularly through the ME-Learning system and an exhibition.

Compliance Whistleblower

The Company has regulations to support whistleblowing, either seeing any action or behavior from both the organization and the employee who imposes misconduct violates or may infringe on conduct against legal requirements or the Business Ethics. The more prompt the Company can gather and communicate, the more reducible effect will occur to the Company from that action or behavior. Therefore, the Company establishes a Whistle Blower channel for all stakeholders to report clues or complaints encountering any incidents or actions against the law and business ethics that may cause damage to the Company. The Company also has set guidelines and acknowledge all stakeholders every year. Those who witness the above events or actions shall gather information, clues, and evidence to verify the facts as much as possible, then notify directly to the Company by sending feedback or document complaints to the following address.

Attention to: Department Manager of the Internal Audit Control Office
Kang Yong Electric Public Company Limited
P.O. Box 49, Bangna Tower 10541
Or send electronic information to
E-mail address: hotline@kye.meap.com

The Department Manager of the Internal Audit Office and the investigation team, appointed by the Chairman of the Board of Directors or Managing Director according to the Company announcement, will take into account. It is essential to protect and prevent any impact on the whistleblower as it is confidential information. The Company shall act fairly by referring and proving the information received and quickly decide to take further action on the matter or problem appropriately. To make whistleblowing information purely and fairly and certify the truthful information, the Company requests a specific full name with clear contact. If necessary, the Company may request additional information for consideration of the result of such action. In the past year, the Company receive any information has taken action.

Responsibility of the Board of Directors

The Company operates business by upholding the code of business ethics and business administration philosophy and is well aware of its corporate responsibility for the society at large. It encourages the directors, the management and all staff members to discharge duty under eight aspects of business ethics, encompassing compliance with laws, respect for human rights, contribution to society, creation of unity in the local community, participation in environmental problem solving, awareness of one's duty as a workplace member, promotion of good cooperation with stakeholders, and management of conflict of interest by putting in place a rigid control process to ensure a fair and transparent business operation.

At present, five out of the total 14 board members of the Company are independent directors, which is in compliance with the corporate governance practices requiring that at least one-third of total number of directors should be independent directors. This helps to ensure that the shareholders' rights and benefits will be taken care of and the Company's benefits fully protected. It also leads to checks and balances in the board structure since 9 of them are non-executive directors and 5 are executive directors. Under such board composition, the non-executive directors are able to render opinion fully and independently in the consideration on all issues at the board meeting.

The Company has segregated the position, power and duty, and persons between the board chairman and the president to maintain checks and balances between them. The Company also established the Board of Executive Directors to consider essential matters with due care and for the utmost benefit.



INTERNAL CONTROL AND CONNECTED TRANSACTION

Internal Control

Opinion of the Board of Directors on the Company's Internal Control

The Company recognizes and places importance on continuous internal control and risk management. The Board of Directors has set up and assigned the Audit Committee to be responsible for reviewing adequacy and appropriateness of internal control and risk management. For ensuring efficiency and effectiveness in the conduct of business or discharge of duty in compliance with the policies, Articles of Association, and resolutions of the Board of Directors and the shareholders' meeting, including the applicable laws, notifications, and regulations. The Company's internal control and risk management in the previous year can sum up as follows:

1. Control within the organization

1. The Company is well aware of its corporate responsibility for the society as a whole, by ensuring its directors, executives and employees conduct ethical business. To ensure the Company's objectives and to be in line with the Mitsubishi Electric Group Conduct Guidelines, the Company communicates its policies and targets as well as gives a written clarification to the employees organization-wide. Also, the Company arranges training, and testing (E-Learning) thereon to the employees at all levels for their translation into action and follow up the results.
2. The Board of Directors has appointed four Board committees, namely the Board of Executive Directors, the Audit Committee, the Nomination, and Remuneration Committee, and the Product Pricing Committee, with duties and responsibilities designated to monitor and control business operation in line with the objectives.
3. The Board of Directors has assigned the Board of Executive Directors to undertake business administration on its behalf and to determine policies and targets on business administration, quality assurance, environmental management, health and safety, energy conservation, confidentiality security management, business ethics management, and anti-fraud and anti-corruption. The Board has also formulated the organizational structure by dividing management duties and responsibilities into 2 main lines as follows:
 - i. Administration and planning line composed of 6 departments which are Corporate Strategic Planning Office, Internal Audit Control Office, General Administration Department, Finance Department, Purchase Department and Marketing Department.
 - ii. Engineering line composed of 6 departments which are, Production Engineering, Quality Assurance Department, Tool & Plastic Production, Fan Production, Refrigerator Production, and Water Pump Production.
4. The Company has established a selection and nomination process to recruit personnel with required knowledge, skills, expertise and experience, from operating staff to supervisory and executive levels allocated appropriately according to the organization structure. It has a process in place for performance evaluation, salary increment and promotion, and a succession plan, with key talents selected to undergo a training course in Japan. Wages and salaries as well as other remuneration and benefits are made available as appropriate to employees at all levels without discrimination. At the same time, a fair penalty system applies to any case where an employee performs in violation of the work rules and regulations.

5. The Company has an independent work unit handling internal audit and following up on other work units' operations in terms of internal control, risk management and compliance with applicable laws. Such internal audit unit shall implement in line with the annual audit plan, and shall report the audit result and follow-up result of subsequent corrective action to both the Board of Executive Directors and the Audit Committee for acknowledgement, as well as comments and recommendation for the management's improvement and remedial action accordingly.
6. The Audit Committee shall perform duties with independence in the scope of power and duties prescribed in the Audit Committee Charter. It has reviewed financial reports, risk management, internal control and audit systems, proposed appointment of external auditors and auditor remuneration, and connected transactions or transactions that may have a conflict of interest, on a quarterly and annual basis. Results of such review by the Audit Committee are also proposed to the meeting of the Board of Directors for acknowledgement and consideration every quarter and published in the Audit Committee's annual report. (See details in "Audit Committee's Report.")

2. Risk assessment

In risk management, on a semi-annual basis, all departments of the Company reviewed risk identification, risk assessment, and risk management in line with risk assessment forms to fit with the Company's policies and cover all of its corporate targets.

Risk Management Committee reviewed risk identification and risk level assessment, as well as risk management measures, of working groups in all departments. It also examined risk management to ensure efficiency and suitability with the organization, closely followed up on risk management performance, and reported risk management activities of all departments as the significant agenda items to the meetings of the Audit Committee and the Board of Directors for acknowledgement and consideration.

3. Control activities

- 1 The Board of Executive Directors and executives at various managerial levels map out yearly policies, objectives, and targets of all departments, and communicate them to staff members for further translation into practice to achieve such aims. The operation monitoring system is in place with reporting at meetings held at all levels on a weekly, monthly, quarterly and semi-annual basis. The staff reports the progress of their operation and the executives shall give instructions and assignments to ensure that the Company's goals and objectives entirely achieved.
- 2 The Company arranges written corporate rules to control operations in financial transactions, procurement, production, quality control, sales of goods and general administration, with a scope of power, duties, responsibilities and approval amount limit for each level. A limit exceeding budget request subjects to consideration and approval of the meeting of Budget Committee chaired by the President and held every week to consider budget spending proposals.
- 3 The Company has appointed representatives as directors in associated companies to follow up operations of such companies.
- 4 The Company Secretary has been assigned to keep and regularly update information on the significant shareholder, directors, executives, and connected persons, to facilitate monitoring and review of related transactions or transactions prone to conflict of interest.

4. Information and communication

The Company has established adequate information and communication system. It has prepared accurate, complete and reliable information within an appropriate period, and made it available to the Board of Directors, the management and staff members to support decision-making on a timely basis. Secure access to information in various work systems is determined precisely and as prescribed by relevant laws via such channels as e-mail, Intranet, and communication through activities and joint meetings to strengthen coordination and operation to achieve the targets set forth.

For external parties, the Company has disclosed and communicated its information comprehensively and equitably to the stakeholders through its communication channel, i.e., www.mitsubishi-kye.com, and in case of disclosure according to the criteria of the Stock Exchange of Thailand (SET), such as financial report, annual report of operating results, and minutes of the annual general meeting of shareholders, via the SET's information system and the Company's website.

Moreover, the Company has a channel for stakeholders to report any incident or any act prone to a violation of the laws and regulations, code of business ethics which may cause damage to the Company. They may inform the Internal Audit Control Office by post: P.O. Box 49, Bangna Tower 10541. The Company has a system in place to process such case and make an investigation thereof before deciding on any appropriate action.

5. Monitoring activities

The Company has a process to monitor business operations at directors, executives, and managerial levels through various meetings, namely Board of Directors meeting (quarterly), Board Committee meetings, business plan meeting, departmental policy and implementation plan meeting, weekly manager meeting, monthly business unit meeting, weekly and monthly quality meeting, and so forth.

Directors and executives will acknowledge operating results covering achievements and/or problems from minutes of the meetings. They will then at the respective meetings instruct the relevant parties to take improvement or solution actions to meet the Company's objectives and targets.

At the Board of Directors meeting 1/2022, on May 13, 2022, which the three Audit Committee members attended, assessed the Company's internal control system in five areas based on the Audit Committee's report and expressed an opinion that the Company's internal control system has been adequate and appropriate. The system contained with an efficient management system with sufficient transactions with persons that may have a conflict of interest and connected parties, and there is no any deficiency in the internal control system that could cause a significant impact on the Company.

Head of Internal Audit Control

The Board of Executive Directors, with the consent of the Audit Committee, has appointed Mr. Pensak Plavuthithothai as a Manager of Internal Audit Control Office, and taking effect on April 1, 2020. Mr. Pensak has 31 years of work experience and knowledge of the Company's business activities and operations. Thus, He is qualified and appropriate to perform duties in this position.

Appointment, removal or rotation of Manager of Internal Audit Control Office shall be subject to approval or consent from the Audit Committee.

Connected Transaction

Related Transaction

The Company has specified rule including guidelines clearly on the related transaction with the associated persons, subject to strictly comply with the notification and regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission is principal, summarized as followings.

- Proposing a connected transaction under the rules to the Board of Directors and/or the shareholders' meeting for the approval. Through the consideration of the Audit Committee for fairness, price reasonableness and the best merits to the Company. The directors with interests have no right to cast a vote at the meeting.
- Disclosure of connected transactions with related companies adequately both of financial statements and annual reports, comply with the regulations of the Securities and Exchange Commission and the accounting standards on information disclosure about related parties or businesses, announced by the Federation of Accounting Professions.

Policy on Future Connected Transaction

The future connected transactions will still strictly adhere to the connected transactions regulations, based on fairness and price reasonableness. The Company will control the operations of the connected transactions to maximize the benefits with criteria as followings.

- Normal business transactions and complementing normal business transactions, mostly are purchasing and selling of goods and service among the Company and affiliated companies that complied with general trading term conditions. The Board of Directors will approve these transactions.
- Non-normal business and/or none general trading conditions. The management, by the Company Secretary and the Finance Department Manager, acts as the administrator and review operations to ensure compliance with relevant regulatory requirements.

Connected Transaction

Relationships with related parties of 2021 and 2020 fiscal year were as follows:

No.	Related Parties	Location	Relationships	Type of the connected transaction	Value of the transaction (Million Baht)		Reasonableness of the transaction
					2021	2020	
1	Sale of Product and Spare parts			Sale of Product and Spare parts	7,895.5	8,282.8	
	1.1) Mitsubishi Electric Corporation	Japan	Parent, 45.70 % shareholding	KYE sell electric home appliance products, comprising electric fans, exhaust fans, refrigerators, water pump and spare part to related parties companies	3,321.8	3,354.3	MELCO has clearly defined the characteristics of the product sale that the Company will sell the product through its subsidiaries or an associate of Melco who are high experienced.
	1.2) Mitsubishi Electric Kang Yong Watana Co.,Ltd.	Thailand	A subsidiary of the Company's parent and common directors (MELCO was MKY 48% shareholding)		3,084.8	3,216.8	The Company earned benefited from the sales growth throughout. Moreover, the Company has a policy to determine the price based on the principle of "market transactions or under the terms of general trade"
	1.3) Mitsubishi Electric Life Network Co., Ltd.	Japan	A subsidiary of the Company's parent A subsidiary of the Company's parent		88.6	88.6	
	1.4) Mitsubishi Electric Taiwan Co.,Ltd.	Taiwan			79.5	89.5	
	1.5) Mitsubishi Electric Asia Pte.Ltd	Singapore			281.8	254.5	
	1.6) Mitsubishi Electric Australia Pty.Ltd.	Australia			300.2	407.4	
	1.7) Mitsubishi Electric (Hong Kong) Limited	Hong Kong			217.0	243.8	
	1.8) Mitsubishi Electric Sales Malaysia Sdn.Bhd.	Malaysia			165.1	144.0	
	1.9) Mitsubishi Electric (Malaysia) Sdn.Bhd.	Malaysia			5.1	3.1	
	1.10) Mitsubishi Electric Vietnam Co.,Ltd.	Vietnam			285.8	344.8	
	1.11) P. T.Mitsubishi Electric Indonesia Co.,Ltd.	Indonesia			23.4	39.3	
	1.12) Mitsubishi Electric Trading Corporation	Japan			2.4	27.4	
	1.13) Melco Trading (Thailand) Co.,Ltd.	Thailand			4.7	5.7	
	1.14) Mitsubishi Electric Russia LLC.	Russia			35.1	42.2	
	1.15) Mitsubishi Electric Europe B.V.German Branch	German			-	0.1	
1.16) Smiles Super Express Co.,Ltd.	Thailand	Associate, 27.12% shareholding.			0.0	0.1	

No.	Related Parties	Location	Relationships	Type of the connected transaction	Value of the transaction (Million Baht)		Reasonableness of the transaction	
					2021	2020		
2	Procurement parts and raw materials				1,481.9	1,072.9		
		2.1) Mitsubishi Electric Asia Pte.Ltd	Singapore	A subsidiary of the Company's parent	Electronic parts used for assembly electric fan and refrigerator	98.7	86.0	The Company had necessity to purchase parts and raw materials from related companies. As its has produced of electrical appliances under the standard of "Mitsubishi Electric". Procurement from MELCO's subsidiaries in massive quantity helps to reduce production cost and control the quality standard as specified.
		2.2) Setsuyo Astec Corporation	Japan		61.5	62.4		
		2.3) Mitsubishi Electric Trading Corporation	Japan		17.2	26.1		
		2.4) Meico Trading (Thailand) Co.,Ltd.	Thailand		319.6	227.2		
		2.5) Mitsubishi Electric (Hong Kong) Ltd.	Hong Kong		11.7	3.1		
		2.6) Mitsubishi Electric & Electronics (Shanghai) Co.Ltd.	China		35.9	6.9		
		2.7) Setsuyo Astec (Thailand) Co.,Ltd.	Thailand		157.0	128.2		
		2.8) Setsuyo Astec Corporation Seoul Branch.	Korea		778.5	530.8		
		2.9) Mitsubishi Electric Automation (Thailand) Co.,Ltd.	Thailand		1.7	2.2		
3	Complementing Fee				Complementing Fee	583.7	625.9	
	3.1) Mitsubishi Electric Kang Yong Watana Co.,Ltd.	Thailand	A subsidiary of the Company's parent and common directors (MELCO was MKY 48% shareholding)	Advertising support , After Service Fee and other expenses.	5.8	10.8	Competition situation in each market has vary violent at each period time which the promotion support expense is a necessary tool for business operation. Currently,taking the expenditure for obtain better sales or maintain desired market share, is become more necessary to such transaction under a clear scope and certainly criteria.	
	3.2) Mitsubishi Electric Asia Pte.Ltd	Singapore	A subsidiary of the Company's parent		0.6	2.1		
	3.3) Mitsubishi Electric Sales Malaysia Sdn.	Malaysia		0.1	0.2			
	3.4) P. T.Mitsubishi Electric Indonesia Co.,Ltd.	Indonesia		-	2.1			
	3.5) Mitsubishi Electric Vietnam Co.,Ltd.	Vietnam		1.2	8.2			
	3.6) Mitsubishi Electric Australia Pty.Ltd.	Australia		0.0	0.0			
	3.7) Mitsubishi Electric Asia (Thailand) Ltd	Thailand	1.4	1.2				
	3.8) Mitsubishi Electric (Hong Kong) Ltd.	Hong Kong		3.6				
	3.9) Mitsubishi Electric Life Network Co.,Ltd.	Japan	1.3	1.4				
	3.10) Meico Logistic (Thailand) Co.,Ltd.	Thailand	50.9	51.3	KYE has been dealing with this company in order to smoothen the operation progress of export shipment. Besides,KYE has also had contracts with other companies,who are not related to MELCO , upon to destination of each market.			
	3.11) KGM.Service Co.,Ltd.	Thailand	0.7	0.6				

No.	Related Parties	Location	Relationships	Type of the connected transaction	Value of the transaction (Million Baht)		Reasonableness of the transaction
					2021	2020	
3	Complementing Fee 3.12) Mitsubishi Electric Corporation	Japan	Parent, 45.70 % shareholding	Complementing Fee	583.7	625.9	KYE entered into Technical Assistant Agreement with MELCO under this agreement, KYE able to sales the products under "Mitsubishi Electric" trademark which is well known worldwide and obtained assistance of manufacturing technology and marketing including manufacturing technology training .Therefore, it is a reasonableness transaction for payment of royalty fee and technician fee to MELCO .
				Royalty fee, after service and Technician fee	230.1	239.9	
					Development fee (in accordance with Technical Assistance Agreement)	225.0	233.6
	3.13) Smile Super Express Co.,Ltd.	Thailand	Associate, 27.12% shareholding.	Storage, Handling & Transportation Charge.	61.9	63.9	KYE needs a place for storing its finished goods before delivery to customers by hiring SSE for management with fairly rate
	3.14) Others		A subsidiary of the Company's parent	Service and Expense	4.9	7.1	



No.	Related Parties	Location	Relationships	Type of the connected transaction	Value of the transaction (Million Baht)		Reasonableness of the transaction
					2021	2020	
4	Giving or receiving of financial assistance 4.1) Meico Thai Capital Co.,Ltd.	Thailand	A subsidiary of the Company's parent Parent, 99.99 % shareholding	Loan Receivable to MTC by interest rate of loan 0.20% - 0.80% per year	98.2	94.6	Increasing liquidity of cash flow and reduce financial costs by providing a better interest rate of loan and deposit than commercial banks. It is cause a better benefit to the Company
				- Interest Received	1.4	1.1	
5	Lease or lease out of real estate for not over 3 years 5.1) Smile Super Express Co.,Ltd.	Thailand	Associate, 27.12% shareholding.	SSE has rented land and buildings from KYE	17.7	17.8	KYE accordingly leases out its assets to SSE for business operation as the management and storage products for KYE by using the building as a warehouse. As a result, KYE able to reduce cost of management and storing goods.
6	Procurement of asset 6.1.) Mitsubishi Electric Corporation (Nakatsugawa) 6.2) Mitsubishi Electric Trading Corporation (Nakatsugawa) 6.3) Mitsubishi Electric Trading Corporation (Shizuoka) 6.4) Mitsubishi Electric Kang Yong Watana Co.,Ltd. 6.5) Mitsubishi Electric Factory Automation (Thailand) Co.,Ltd. 6.6) Setsuyo Astec (Thailand) Co.,Ltd. 6.7) Mitsubishi Electric Asia Pte.,Ltd	Japan Japan Japan Thailand Thailand Thailand Singapore	Parent, 45.70 % shareholding A subsidiary of the Company's parent	Procurement of asset	27.7	31.6	Procurement of unique machinery that has complex process for producing and installation. Therefore, KYE is required to hire such company representative which specializes in supply such goods
				Die Frame Bracket	1.4	-	
				Die Frame Bracket	20.4	21.3	
				Function Fixture	1.5	2.3	
				Air condition	3.4	7.0	
				Power Supply	0.2	-	
				Improvement Motor Assembly Line	0.0	0.2	
Die Punching	0.8	0.8					

Balance as at 31 March 2022 and 31 March 2021 with related parties were as follows:

Unit : Million Baht

Name of Entities	Trade Accounts Receivable as at 31 March		Trade Accounts Receivable as at 31 March		Trade Accounts Receivable as at 31 March		Trade Accounts Receivable as at 31 March	
	2022	2021	2022	2021	2022	2021	2022	2021
Melco Thai Capital Co.,Ltd.	-	-	98.4	94.7	-	-	-	-
Smile Super Express Co.,Ltd.	0.0	0.0	1.5	1.5	-	-	8.0	6.4
Mitsubishi Electric Corporation	274.1	228.9	-	-	-	-	117.1	115.5
Mitsubishi Electric Kang Yong Watana Co.,Ltd.	395.7	447.1	-	-	-	-	2.6	2.2
Mitsubishi Electric Lift Network Corporation	19.1	24.1	-	-	-	-	0.1	0.3
Mitsubishi Electric Asia Pte. Ltd.	94.2	46.6	-	-	14.7	12.8	0.3	0.7
Mitsubishi Electric Australia Pty. Ltd.	139.5	104.9	-	-	-	-	-	-
Mitsubishi Electric Sales Malaysia Sdn. Bhd.	59.2	43.3	-	-	-	-	-	-
Mitsubishi Electric (Malaysia) Sdn. Bhd.	1.4	1.2	-	-	-	-	-	-
P.T.Mitsubishi Electric Indonesia Co.,Ltd.	8.6	19.3	-	-	-	-	-	1.1
Mitsubishi Electric Russia LLC.	5.4	0.0	-	-	-	-	0.9	0.0
Melco Logistic (Thailand) Co.,Ltd.	-	0.4	-	-	-	-	4.1	4.4
Mitsubishi Electric Vietnam Co.,Ltd.	141.8	139.4	-	-	-	-	0.0	7.9
Setsuyo Astec Corporation Japan Branch	-	-	-	-	9.1	4.9	-	-
Setsuyo Astec Corporation Seoul Branch	-	-	-	-	75.6	68.8	-	0.1
Setsuyo Astec Thailand Co.,Ltd.	-	-	-	-	28.2	13.0	-	-
Mitsubishi Electric Trading Corporation	-	0.7	-	-	1.3	2.1	0.1	0.2
Melco Trading (Thailand) Co.,Ltd.	0.4	-	-	-	31.1	22.1	-	-
Mitsubishi Electric (Hong Kong) Ltd.	44.1	25.5	-	-	2.8	1.0	-	1.4
Mitsubishi Electric Taiwan Co., Ltd.	18.7	14.2	-	-	-	-	-	-
Mitsubishi Electric Asia (Thailand).Ltd	-	-	-	-	-	-	0.8	-
K.G.M. Services Co.,Ltd.	-	-	-	-	-	-	0.0	0.0
Mitsubishi Electric & Electronic (Shanghai) Co.,Ltd.	-	-	-	-	14.0	1.7	-	0.4
Mitsubishi Electric Factory Automation (Thailand) Co.,Ltd.	-	-	-	-	-	-	-	0.0
Mitsubishi Electric Automation Co.,Ltd.	-	-	-	-	-	-	0.4	0.4
Mitsubishi Electric Consumer Products (Thailand) Co.,Ltd.	-	-	-	-	-	-	-	0.2
Mitsubishi Electric Engineering Co.,Ltd.	-	-	-	-	-	-	0.0	-
Mitsubishi Elevator (Thailand) Co.,Ltd.	-	-	-	-	-	-	0.0	-
Total	1,202.2	1,095.7	99.9	96.3	176.8	126.5	134.4	141.1



REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY OR FINANCIAL STATEMENTS

The Board of Directors is responsible for the financial statements of Kang Yong Electric Public Company Limited including the financial information presented in the Annual Report. The financial statements have been prepared in accordance with the generally accepted accounting standards under the Accounting Act, B.E. 2543 and the requirements of the Securities and Exchange Commission regarding preparation and presentation of financial statements under the Securities and Exchange Act, B.E. 2535 by consideration to use of accounting policy appropriate and have been applied consistently including cautious discretion and reasonable estimates in the preparation, as well as disclosure of significant information adequate in the notes to the financial statements. The financial statements has been audited and expressed opinion in the auditor's report with unconditional by the independent certified public accountant.

The Board of Directors has put in place the risk management and internal control systems in order to assure that the accounting information is accurate , completely, timely and sufficiently to sustain the Company's assets including prevent frauds or any significant irregularities operation .

In this regard, the Board of Directors has appointed the Audit Committee comprising independent directors to be responsible for the quality of the financial report, the assessment of the internal control and internal audit to ensure efficiency, effectiveness and reliability. The Audit Committee has reported the performance to the Board of Directors, and given opinions on these issues in the Audit Committee's report presented in the Annual Report 2021.

The Board of Directors is of the opinion that the internal control system and internal audit of the Company are adequate and appropriate , able to ensure rationally that the financial statements for the year ended March 31, 2022 of Kang Yong Electric Public Company Limited are reasonably reliable and accurate in material aspects in accordance with the generally accepted accounting standards.

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

(Mr. Keiji Oya)
President

June 16, 2022

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

Kang Yong Electric Public Company Limited





INDEPENDENTS AUDITOR'S REPORT

To the Shareholders of Kang Yong Electric Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of Kang Yong Electric Public Company Limited (the “Company”), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 March 2022, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements in which the equity method is applied and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is those matter that, in my professional judgment, were of most significance in my audit of the financial statements in which the equity method is applied and separate financial statements of the current period. This matter was addressed in the context of my audit of the financial statements in which the equity method is applied and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Adequacy of provision for warranties	
Refer to Notes 3 (n) and 13 to the financial statements in which the equity method is applied and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
The provision for product warranty is material to the financial statements. The determination of the provision involves estimates by management of the amount and probability of claims. Therefore, I consider this matter to be a key audit matter.	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> - Inquiring management to gain understanding on the process for estimation of provision for warranties. - Testing the reliability of actual warranties report by comparing actual claimed data with actual warranties report including testing on sampling basis of relevant documents. - Challenging management regarding the method used for estimation to evaluate the reasonableness of the method and assumptions used. - Considering the appropriateness of assumptions used for estimation of expected damage from warranty by comparing with historical actual claimed data. - Testing the calculation of provision for warranties by consider total sales of finished goods, total actual warranty expense and average claimed year. - Considering the adequacy of the Company's disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements in which the equity method is applied and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements in which the equity method is applied and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements in which the equity method is applied and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements in which the equity method is applied and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements in which the equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which the equity method is applied and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements in which the equity method is applied and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements in which the equity method is applied and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the audit of the financial statements in which the equity method is applied. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements in which the equity method is applied and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Sophit P.

(Sophit Prompol)
Certified Public Accountant
Registration No. 10042

KPMG Phoomchai Audit Ltd.
Bangkok
19 May 2022

Kang Yong Electric Public Company Limited
Statement of financial position

Assets	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied		31 March	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	739,261,953	755,520,690	739,261,953	755,520,690
Trade accounts receivables	4, 6	1,202,340,918	1,095,952,394	1,202,340,918	1,095,952,394
Value added tax refundable		54,567,506	33,005,083	54,567,506	33,005,083
Other receivables	4	28,508,910	26,180,617	28,508,910	26,180,617
Short-term loan to related party	4	98,247,225	94,595,130	98,247,225	94,595,130
Inventories	7	1,180,546,756	768,601,533	1,180,546,756	768,601,533
Other current financial assets	22	3,030,000,000	3,600,000,000	3,030,000,000	3,600,000,000
Other current assets		17,873,022	11,734,905	17,873,022	11,734,905
Total current assets		6,351,346,290	6,385,590,352	6,351,346,290	6,385,590,352
Non-current assets					
Other non-current financial assets	22	2,328,411,088	2,607,144,061	2,328,411,088	2,607,144,061
Investment in associate	8	21,664,317	19,481,089	3,000,000	3,000,000
Investment properties	9	3,907,544	3,907,544	3,907,544	3,907,544
Property, plant and equipment	10	1,491,218,861	1,464,502,609	1,491,218,861	1,464,502,609
Right-of-use assets	11	17,692,017	19,982,016	17,692,017	19,982,016
Intangible assets	12	27,187,679	30,188,098	27,187,679	30,188,098
Other non-current assets		11,754,776	12,244,113	11,754,776	12,244,113
Total non-current assets		3,901,836,282	4,157,449,530	3,883,171,965	4,140,968,441
Total assets		10,253,182,572	10,543,039,882	10,234,518,255	10,526,558,793

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

Kang Yong Electric Public Company Limited
Statement of financial position

	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		31 March		31 March	
Liabilities and equity		2022	2021	2022	2021
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payables	4	1,147,049,528	892,684,104	1,147,049,528	892,684,104
Other payables	4	362,505,250	347,648,332	362,505,250	347,648,332
Current portion of lease liabilities	22	7,893,294	7,431,710	7,893,294	7,431,710
Income tax payable		-	56,922,326	-	56,922,326
Other current liabilities		10,738,755	7,481,416	10,738,755	7,481,416
Total current liabilities		1,528,186,827	1,312,167,888	1,528,186,827	1,312,167,888
Non-current liabilities					
Lease liabilities	22	10,465,449	12,976,010	10,465,449	12,976,010
Deferred tax liabilities	19	333,708,672	412,461,604	333,708,672	412,461,604
Provision for warranties	13	85,000,042	99,254,187	85,000,042	99,254,187
Non-current provisions for employee benefits	14	276,203,996	305,075,546	276,203,996	305,075,546
Provident funds		7,796,072	10,277,134	7,796,072	10,277,134
Total non-current liabilities		713,174,231	840,044,481	713,174,231	840,044,481
Total liabilities		2,241,361,058	2,152,212,369	2,241,361,058	2,152,212,369
Equity					
Share capital:					
Authorised share capital					
<i>(19,800,000 ordinary shares, par value at Baht 10 per share)</i>					
		198,000,000	198,000,000	198,000,000	198,000,000
Issued and paid-up share capital					
<i>(19,800,000 ordinary shares, par value at Baht 10 per share)</i>					
		198,000,000	198,000,000	198,000,000	198,000,000
Share premium:					
Share premium on ordinary shares	15	726,100,000	726,100,000	726,100,000	726,100,000
Retained earnings					
Appropriated					
Legal reserve	15	22,000,000	22,000,000	22,000,000	22,000,000
Other reserve		420,000,000	420,000,000	420,000,000	420,000,000
Unappropriated		4,913,094,391	5,069,114,011	4,894,430,074	5,052,632,922
Other component of equity	15	1,732,627,123	1,955,613,502	1,732,627,123	1,955,613,502
Total equity		8,011,821,514	8,390,827,513	7,993,157,197	8,374,346,424
Total liabilities and equity		10,253,182,572	10,543,039,882	10,234,518,255	10,526,558,793

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

Kang Yong Electric Public Company Limited
Statement of comprehensive income

	<i>Note</i>	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		Year ended 31 March		Year ended 31 March	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Revenue					
Revenue from sale of goods and rendering of services	4, 16	7,897,890,430	8,285,810,051	7,897,890,430	8,285,810,051
Investment income	4, 17	478,499,987	475,077,097	478,506,587	475,100,967
Net foreign exchange gain		40,548,811	5,287,785	40,548,811	5,287,785
Other income	4	67,127,295	55,808,195	67,127,295	55,808,195
Total revenue		8,484,066,523	8,821,983,128	8,484,073,123	8,822,006,998
Expenses					
Cost of sale of goods and rendering of services	4, 7, 18	7,059,712,195	6,620,422,403	7,059,712,195	6,620,422,403
Distribution costs	4, 18	462,582,490	435,062,683	462,582,490	435,062,683
Administrative expenses	4, 18	651,235,139	631,123,991	651,235,139	631,123,991
Total expenses		8,173,529,824	7,686,609,077	8,173,529,824	7,686,609,077
Profit from operating activities		310,536,699	1,135,374,051	310,543,299	1,135,397,921
Finance costs		(310,800)	(334,460)	(310,800)	(334,460)
Share of profit of associate	8	2,189,828	22,978	-	-
Profit before income tax expense		312,415,727	1,135,062,569	310,232,499	1,135,063,461
Tax income (expense)	19	24,647,454	(136,782,206)	24,647,454	(136,782,206)
Profit for the year		337,063,181	998,280,363	334,879,953	998,281,255
Other comprehensive income					
Item that will not be reclassified subsequently to profit or loss					
Gain (loss) on investments in equity instruments					
designated at FVOCI	22	(278,732,973)	2,448,135,490	(278,732,973)	2,448,135,490
Gain on remeasurements of defined benefit plans	14	8,583,998	13,474,412	8,583,998	13,474,412
Income tax relating to items that will not be reclassified	19	54,029,795	(492,321,980)	54,029,795	(492,321,980)
Total items that will not be reclassified subsequently to profit or loss		(216,119,180)	1,969,287,922	(216,119,180)	1,969,287,922
Other comprehensive income (expense) for the year, net of tax		(216,119,180)	1,969,287,922	(216,119,180)	1,969,287,922
Total comprehensive income for the year		120,944,001	2,967,568,285	118,760,773	2,967,569,177
Basic earnings per share	20	17.02	50.42	16.91	50.42

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

Kang Yong Electric Public Company Limited
Statement of changes in equity

Financial statements in which the equity method is applied

	Retained earnings				Other component of equity			Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Other reserve (in Baht)	Unappropriated	Gain (loss) on investments in equity instruments designated at FVOCI		
Year ended 31 March 2021								
Balance at 1 April 2020	198,000,000	726,100,000	22,000,000	420,000,000	4,370,914,119	(2,894,891)	5,734,119,228	
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	-	-	-	-	(310,860,000)	-	(310,860,000)	
<i>Total distributions to owners of the Company</i>	-	-	-	-	(310,860,000)	-	(310,860,000)	
Total transactions with owners, recorded directly in equity	-	-	-	-	(310,860,000)	-	(310,860,000)	
Comprehensive income for the year								
Profit	-	-	-	-	998,280,363	-	998,280,363	
Other comprehensive income	-	-	-	-	10,779,529	1,958,508,393	1,969,287,922	
Comprehensive income for the year	-	-	-	-	1,009,059,892	1,958,508,393	2,967,568,285	
Balance at 31 March 2021	198,000,000	726,100,000	22,000,000	420,000,000	5,069,114,011	1,955,613,502	8,390,827,513	

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

Kang Yong Electric Public Company Limited
Statement of changes in equity

Financial statements in which the equity method is applied

	Retained earnings				Other component of equity		Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Other reserve <i>(in Baht)</i>	Unappropriated	Gain (loss) on investments in equity instruments designated at FVOCI	
Year ended 31 March 2022							
Balance at 1 April 2021	198,000,000	726,100,000	22,000,000	420,000,000	5,069,114,011	1,955,613,502	8,390,827,513
Transaction with owners, recorded directly in equity							
<i>Distribution to owners of the Company</i>							
Dividends to owners of the Company	-	-	-	-	(499,950,000)	-	(499,950,000)
<i>Total distribution to owners of the Company</i>	-	-	-	-	(499,950,000)	-	(499,950,000)
Total transaction with owners, recorded directly in equity	-	-	-	-	(499,950,000)	-	(499,950,000)
Comprehensive income (expense) for the year							
Profit	-	-	-	-	337,063,181	-	337,063,181
Other comprehensive income (expense)	-	-	-	-	6,867,199	(222,986,379)	(216,119,180)
Comprehensive income (expense) for the year	-	-	-	-	343,930,380	(222,986,379)	120,944,001
Balance at 31 March 2022	198,000,000	726,100,000	22,000,000	420,000,000	4,913,094,391	1,732,627,123	8,011,821,514

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

Kang Yong Electric Public Company Limited
Statement of changes in equity

	Separate financial statements							Total equity
	Retained earnings						Other component of equity	
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Other reserve (in Baht)	Unappropriated	Gain (loss) on investments in equity instruments designated at FVOCI		
Year ended 31 March 2021								
Balance at 1 April 2020	198,000,000	726,100,000	22,000,000	420,000,000	4,354,432,138	(2,894,891)	5,717,637,247	
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	-	-	-	-	(310,860,000)	-	(310,860,000)	
Total distributions to owners of the Company	-	-	-	-	(310,860,000)	-	(310,860,000)	
Total transactions with owners, recorded directly in equity	-	-	-	-	(310,860,000)	-	(310,860,000)	
Comprehensive income for the year								
Profit	-	-	-	-	998,281,255	-	998,281,255	
Other comprehensive income	-	-	-	-	10,779,529	1,958,508,393	1,969,287,922	
Comprehensive income for the year	-	-	-	-	1,009,060,784	1,958,508,393	2,967,569,177	
Balance at 31 March 2021	198,000,000	726,100,000	22,000,000	420,000,000	5,052,632,922	1,955,613,502	8,374,346,424	

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

Kang Yong Electric Public Company Limited
Statement of changes in equity

	Separate financial statements							Total equity
	Retained earnings				Other component of equity			
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Other reserve (in Baht)	Unappropriated	Gain (loss) on investments in equity instruments designated at FVOCI		
Year ended 31 March 2022								
Balance at 1 April 2021	198,000,000	726,100,000	22,000,000	420,000,000	5,052,632,922	1,955,613,502	8,374,346,424	
Transaction with owners, recorded directly in equity								
<i>Distribution to owners of the Company</i>								
Dividends to owners of the Company	-	-	-	-	(499,950,000)	-	(499,950,000)	
<i>Total distribution to owners of the Company</i>	-	-	-	-	(499,950,000)	-	(499,950,000)	
Total transaction with owners, recorded directly in equity	-	-	-	-	(499,950,000)	-	(499,950,000)	
Comprehensive income (expense) for the year								
Profit	-	-	-	-	334,879,953	-	334,879,953	
Other comprehensive income (expense)	-	-	-	-	6,867,199	(222,986,379)	(216,119,180)	
Comprehensive income (expense) for the year	-	-	-	-	341,747,152	(222,986,379)	118,760,773	
Balance at 31 March 2022	198,000,000	726,100,000	22,000,000	420,000,000	4,894,430,074	1,732,627,123	7,993,157,197	

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

Kang Yong Electric Public Company Limited
Statement of cash flows

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	Year ended 31 March		Year ended 31 March	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	337,063,181	998,280,363	334,879,953	998,281,255
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	(24,647,454)	136,782,206	(24,647,454)	136,782,206
Finance costs	310,800	334,460	310,800	334,460
Depreciation	359,220,130	389,645,556	359,220,130	389,645,556
Amortisation	7,898,646	8,124,828	7,898,646	8,124,828
Impairment loss recognised in profit or loss	-	281,125	-	281,125
Provision for warranties	48,844,347	69,406,704	48,844,347	69,406,704
Non-current provisions for employee benefits	24,386,205	25,989,448	24,386,205	25,989,448
Unrealised loss (gain) on exchange	11,858,723	(3,744,530)	11,858,723	(3,744,530)
Share of profit of associate	(2,189,828)	(22,978)	-	-
(Reversal of) losses on inventories devaluation	5,215,968	(12,943,892)	5,215,968	(12,943,892)
Loss (gain) on disposal of plant and equipment	2,025,412	(405,782)	2,025,412	(405,782)
Dividend income	(439,417,378)	(425,344,483)	(439,423,978)	(425,368,353)
Interest income	(21,905,089)	(32,555,094)	(21,905,089)	(32,555,094)
Rental income	(17,177,520)	(17,177,520)	(17,177,520)	(17,177,520)
	<u>291,486,143</u>	<u>1,136,650,411</u>	<u>291,486,143</u>	<u>1,136,650,411</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivables	(117,254,253)	20,588,068	(117,254,253)	20,588,068
Value added tax refundable	(21,562,424)	(4,548,312)	(21,562,424)	(4,548,312)
Other receivables	(10,835,401)	15,576,978	(10,835,401)	15,576,978
Inventories	(417,161,190)	29,067,270	(417,161,190)	29,067,270
Other current assets	(6,138,117)	(3,039,400)	(6,138,117)	(3,039,400)
Other non-current assets	489,338	7,143,131	489,338	7,143,131
Trade accounts payable	255,412,883	102,531,366	255,412,883	102,531,366
Other payables	(29,063,964)	(11,843,778)	(29,063,964)	(11,843,778)
Other current liabilities	3,257,339	(3,855,056)	3,257,339	(3,855,056)
Warranties paid	(63,098,491)	(82,348,766)	(63,098,491)	(82,348,766)
Employee benefits paid	(44,673,758)	(25,071,184)	(44,673,758)	(25,071,184)
Provident fund paid	(2,481,062)	(1,870,553)	(2,481,062)	(1,870,553)
Net cash (used in) generated from operating	<u>(161,622,957)</u>	<u>1,178,980,175</u>	<u>(161,622,957)</u>	<u>1,178,980,175</u>
Taxes paid	<u>(56,998,008)</u>	<u>(123,629,238)</u>	<u>(56,998,008)</u>	<u>(123,629,238)</u>
Net cash (used in) from operating activities	<u>(218,620,965)</u>	<u>1,055,350,937</u>	<u>(218,620,965)</u>	<u>1,055,350,937</u>

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

Kang Yong Electric Public Company Limited
Statement of cash flows

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	Year ended 31 March		Year ended 31 March	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Net cash inflow (outflow) of other current financial assets	570,000,000	(1,270,000,000)	570,000,000	(1,270,000,000)
Proceeds from disposal of plant and equipment	1,963,368	861,608	1,963,368	861,608
Acquisitions of plant and equipment	(337,195,610)	(306,464,358)	(337,195,610)	(306,464,358)
Acquisitions of intangible assets	(4,898,227)	(2,919,256)	(4,898,227)	(2,919,256)
Short-term loan to related party	(343,333,674)	(267,489,295)	(343,333,674)	(267,489,295)
Proceeds from short-term loan to related party	339,681,579	256,805,157	339,681,579	256,805,157
Dividends received	439,423,978	596,783,910	439,423,978	596,783,910
Interest received	30,333,468	22,886,680	30,333,468	22,886,680
Rental received	17,256,249	17,152,096	17,256,249	17,152,096
Net cash from (used in) investing activities	713,231,131	(952,383,458)	713,231,131	(952,383,458)
<i>Cash flows from financing activities</i>				
Payment of lease liabilities	(8,726,743)	(7,759,784)	(8,726,743)	(7,759,784)
Dividends paid to owners of the Company	(499,950,000)	(310,860,000)	(499,950,000)	(310,860,000)
Net cash used in financing activities	(508,676,743)	(318,619,784)	(508,676,743)	(318,619,784)
Net decrease in cash and cash equivalents, before effect of exchange rates	(14,066,577)	(215,652,305)	(14,066,577)	(215,652,305)
Effect of exchange rate changes on cash and cash equivalents	(2,192,160)	6,611,647	(2,192,160)	6,611,647
Net decrease in cash and cash equivalents	(16,258,737)	(209,040,658)	(16,258,737)	(209,040,658)
Cash and cash equivalents at 1 April	755,520,690	964,561,348	755,520,690	964,561,348
Cash and cash equivalents at 31 March	739,261,953	755,520,690	739,261,953	755,520,690
<i>Non-cash transactions</i>				
Plant and equipment purchased during the year are detailed as follows:				
Plant and equipment purchased during the year	(381,268,197)	(310,724,278)	(381,268,197)	(310,724,278)
Increase in payables on purchases of plant and equipment	44,072,587	4,259,920	44,072,587	4,259,920
Net purchase of plant and equipment paid by cash	(337,195,610)	(306,464,358)	(337,195,610)	(306,464,358)

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

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

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Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 19 May 2022.

1 General information

Kang Yong Electric Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in October 1993. The Company’s registered office at 67 Moo 11, Debaratna Road, K.M. 20, Bangchalong, Bangplee, Samutprakarn.

The immediate parent company during the financial year was Mitsubishi Electric Corporation (45.70% shareholding), which was incorporated in Japan.

The principal activities of the Company are manufacturing and distributing household electrical appliances under the “Mitsubishi” trademark. The Company obtains the production licence and technology from its parent company.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in note 3 have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

3 Significant accounting policies

(a) Basis of preparation of the financial statements in which the equity method is applied

The financial statements in which the equity method is applied relate to the Company and the Company's interests in an associate.

Interests in equity-accounted investee

The Company's interests in equity-accounted investee comprise interest in an associate.

Associate is an entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Interest in an associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements in which the equity method is applied include the Company's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence ceases.

(b) Investment in associate

Investment in associate in the separate financial statements of the Company is measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date which the Company's right to receive payment is established.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Kang Yong Electric Public Company Limited
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For the year ended 31 March 2022

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss on the date on which the Company right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offsetting

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade accounts receivables

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and loan commitments issued which are not measured at FVTPL.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Company recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

(f) Trade and other accounts receivables

A receivable is recognised when the Company has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production 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.

(h) Investments properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings of 20 years and recognised in profit or loss. No depreciation charged on freehold land.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

(i) Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis (except for factory equipment - moulds and jigs using the double declining balance method) over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

The estimated useful lives are as follows:

Land improvements	5 years
Buildings and improvements	5 - 20 years
Machinery and equipment	5 - 25 years
Factory equipment	5 - 12 years
Office equipment	5 years
Vehicles	5 years

(j) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	10 years
Computer software	5 years
Golf course membership	5 years

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

(k) Leases

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Company has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The company derecognises and determines impairment on the lease receivables as disclosed in note 3(d).

(l) Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to the Company's provident fund are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

(n) Provisions

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

Provision for warranties

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

(o) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

(p) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue for rendering of services is recognised over time. The related costs are recognised in profit or loss when they are incurred.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

(q) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(r) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(s) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

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

(t) Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(u) Related parties

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

Kang Yong Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2022

(v) Segment reporting

Segment results that are reported to the Company's CODM (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets, liabilities, investment income, gain (loss) on exchange rate, other income, some of selling and administrative expenses.

4 Related parties

Relationship with an associate is described in note 8. Other related parties that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Japanese, Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Mitsubishi Electric Corporation	Japan	Parent, 45.70% shareholding
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
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 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 Sales Malaysia Sdn. Bhd.	Malaysia	A subsidiary of the Company's parent
Mitsubishi Electric (Malaysia) Sdn. Bhd.	Malaysia	A subsidiary of the Company's parent
Setsuyo Astec Corporation	Japan	A subsidiary of the Company's parent
Melco Thai Capital Co., Ltd.	Thailand	A subsidiary of the Company's parent
Melco Travel Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric (Hong Kong) 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
Melco Trading (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric & Electronic (Shanghai) Co., Ltd.	China	A subsidiary of the Company's parent
Mitsubishi Electric Vietnam Company Limited	Vietnam	A subsidiary of the Company's parent
PT. Mitsubishi Electric Indonesia	Indonesia	A subsidiary of the Company's parent
Setsuyo Astec (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric (Russia) LLC	Russia	A subsidiary of the Company's parent
Mitsubishi Electric Factory Automation (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent

Kang Yong Electric Public Company Limited

Notes to the financial statements

For the year ended 31 March 2022

Name of entities	Country of incorporation/ nationality	Nature of relationships
Mitsubishi Electric Asia (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Elevator (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Domestic sales	Weighted average of standard cost plus margin for all products
Export sales	Resale price method which are dependent on market and competitive conditions of the particular country
Other income	Prices agreed between the parties
Purchase of goods/ raw materials	Prices agreed between the parties
Purchase of property, plant and equipment	Prices agreed between the parties
Royalty fee	Contractually agreed rate
Product development fee	Actual amount
Technical assistance fee	Contractually agreed rate
Rental fee	Based on the market value
Inventory management service fee	Based on the area used
Interest income/ expense from pooling bank account with Mitsubishi Group	Based on the surplus funds or the funds used, at the interest rate of average deposit or loan interest rates offered by the financial institution
Interest income/ expense from short-term loan to and loan from	Based on the interest rate of the financial institution
Product warranty expense	Actual amount
Distribution costs and administrative expenses	Prices agreed between the parties
Key management personnel compensation	The Nomination and Remuneration Committee and the Company's policy
Dividend income	Declared amount

<i>Significant transactions with related parties</i> <i>Year ended 31 March</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	3,321,830	3,354,336	3,321,830	3,354,336
Other income	6	-	6	-
Purchases of equipment	1,350	-	1,350	-
Royalty fee	167,744	178,763	167,744	178,763
Product development fee	224,977	233,558	224,977	233,558
Product warranty expense	57,395	55,333	57,395	55,333
Technical assistance fee	86	-	86	-
Distribution costs and administrative expenses	4,916	5,836	4,916	5,836
Associate				
Revenue from sale of goods	48	86	48	86
Rental income	17,178	17,178	17,178	17,178
Dividend income	-	-	7	24
Other income	496	628	496	628
Inventory management service fee	57,172	59,124	57,172	59,124
Distribution costs and administrative expenses	4,732	4,829	4,732	4,829

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<i>Significant transactions with related parties</i> <i>Year ended 31 March</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	90,924	86,714	90,924	86,714
Post-employment benefits	1,143	1,445	1,143	1,445
Other long-term benefits	8	11	8	11
Total key management personnel compensation	92,075	88,170	92,075	88,170
Other related parties				
Revenue from sale of goods	4,573,581	4,928,328	4,573,581	4,928,328
Purchases of goods	1,493,460	1,084,602	1,493,460	1,084,602
Purchases of equipment	28,668	31,559	28,668	31,559
Dividend income	439,148	425,068	439,148	425,068
Interest income	676	1,092	676	1,092
Other income	9,825	6,741	9,825	6,741
Product warranty expense	1,700	13,712	1,700	13,712
Distribution costs and administrative expenses	50,991	63,167	50,991	63,167

Balances as at 31 March with related parties were as follows:

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Trade accounts receivables		
Parent	274,141	228,890
Associate	36	1
Other related parties	928,018	866,843
Total	1,202,195	1,095,734
Other receivables		
Associate	1,485	1,510
Other related parties	147	150
Total	1,632	1,660
Loans to		
Other related parties	98,247	94,595
Trade accounts payables		
Other related parties	176,830	126,454
Other payables		
Parent	117,078	115,485
Associate	7,985	6,440
Other related parties	9,365	19,170
Total	134,428	141,095

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Significant agreements with related parties

Technical assistance agreement

The Company entered into agreement 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 fees, development fees and technical assistance fees computed based on agreed formula to MELCO. The term of the agreement was for a period of 5 years and is automatically extended for a successive period of 5 years each unless either party notifies in writing to the other party any intention of termination at least 6 months prior to expiration of the agreement.

Building rental agreement

The Company entered into a building rental agreement with Smile Super Express Co., Ltd., an associate, whereby the Company will provide building rental to the associate for use as a warehouse for its finished goods. The agreement was for a period of 2 years with rental rate as specified in the agreement. This agreement is renewed by either party notification in writing to the other party at least 60 days before expiration of this agreement. In June 2021, the Company notified to renew such agreement for a period of 2 years expiring on 31 July 2023.

Inventory management service agreement

The Company entered into an inventory management service agreement with Smile Super Express Co., Ltd., an associate. Under the term of the agreement, the Company agrees to pay an inventory management service fee in an amount and a condition as specified in the agreement. The agreement has a term of 1 year and shall be automatically extended for successive 1 year term unless terminated by either party.

Thai Baht pooling service agreement

In May 2002, the Company entered into the Thai Baht Pooling Service Agreement with Melco Thai Capital Co., Ltd. (MTC), other related party, 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.

Short term loan to related party

On 6 January 2022, the Company entered into a loan agreement with Melco Thai Capital Co., Ltd., other related party, whereby the related party issued the promissory note to the Company amounting to Baht 70 million which bears interest at the rate of 0.77% per annum and will be due on 6 January 2023.

On 28 February 2022, the Company entered into a loan agreement with Melco Thai Capital Co., Ltd., other related party, whereby the related party issued the promissory note to the Company amounting to Baht 15 million which bears interest at the rate of 0.77% per annum and will be due on 27 February 2023.

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5 Cash and cash equivalents

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Cash on hand	100	100
Cash at banks	219,162	180,421
Highly liquid short-term investments	520,000	575,000
Total	<u>739,262</u>	<u>755,521</u>

6 Trade accounts receivables

<i>At 31 March</i>	<i>Note</i>	Financial statements in which the equity method is applied and separate financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		1,194,341	1,095,734
Overdue:			
1 - 30 days		7,854	-
Total		<u>1,202,195</u>	<u>1,095,734</u>
Less allowance for expected credit loss		-	-
Net	4	<u>1,202,195</u>	<u>1,095,734</u>
Other parties			
Within credit terms		146	218
Less allowance for expected credit loss		-	-
Net		<u>146</u>	<u>218</u>
Total		<u>1,202,341</u>	<u>1,095,952</u>

7 Inventories

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Finished goods	344,160	278,752
Work in progress	55,715	47,412
Raw materials and factory supplies	688,104	416,798
Goods in transit	118,300	46,156
Total	<u>1,206,279</u>	<u>789,118</u>
Less allowance for decline in value	(25,732)	(20,516)
Net	<u>1,180,547</u>	<u>768,602</u>
Inventories recognised in ‘cost of sales of goods’:		
- Cost	7,054,496	6,633,366
- (Reversal of) write-down to net realisable value	5,216	(12,944)
Net	<u>7,059,712</u>	<u>6,620,422</u>

Kang Yong Electric Public Company Limited
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8 Investment in associate

Investment in an associate as at 31 March 2022 and 2021 were as follows:

	Type of business	Ownership interest (%)		Financial statements in which the equity method is applied		Separate financial statements				
		2022	2021	At equity method	2021	Cost	Impairment	At cost - net	2021	
<i>Associate</i>										
Smile Super Express Co., Ltd.	Logistic	27.12	27.12	21,664	19,481	3,000	-	3,000	-	3,000

(in thousand Baht)

Smile Super Express Co. Ltd. was incorporated and operate in Thailand.

None of the Company's associate is publicly listed and consequently does not have published price quotation.

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For the year ended 31 March 2022

Material associate

The following table summarises the financial information of the material associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in the associate.

	Smile Super Express Co., Ltd.	
	2022	2021
	<i>(in thousand Baht)</i>	
Revenue	270,167	154,214
Total comprehensive income (100%)	8,073	85
% hold	27.12	27.12
Company's share of total comprehensive income	2,190	23
Current assets	96,884	70,904
Non-current assets	19,082	21,717
Current liabilities	(29,028)	(12,664)
Non-current liabilities	(7,055)	(8,124)
Net assets (100%)	79,883	71,833
% hold	27.12	27.12
Carrying amount of interest in associate	21,664	19,481

9 Investment properties

	Financial statements in which the equity method is applied and separate financial statements		
	Land	Buildings	Total
	<i>(in thousand Baht)</i>		
<i>Cost</i>			
At 1 April 2020	9,578	91,436	101,014
At 31 March 2021 and 1 April 2021	9,578	91,436	101,014
At 31 March 2022	9,578	91,436	101,014
<i>Depreciation and impairment losses</i>			
At 1 April 2020	5,389	91,436	96,825
Impairment losses	281	-	281
At 31 March 2021 and 1 April 2021	5,670	91,436	97,106
At 31 March 2022	5,670	91,436	97,106
<i>Net book value</i>			
At 31 March 2021	3,908	-	3,908
At 31 March 2022	3,908	-	3,908

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<i>For the year ended 31 March</i>	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
Rental income	17,178	17,178
<i>At 31 March</i>	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Minimum lease payments under non-cancellable operating lease receivable:</i>		
Within 1 year	17,178	5,726
1 - 5 years	5,726	-
Total	22,904	5,726

Investment properties comprise land and buildings that are leased to an associate and plots of land that are not used in operations. Renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of investment properties as at 31 March 2022 of Baht 161.28 million (2021: Baht 161.28 million) was determined by independent professional valuers, at discounted cash flow using risk-adjusted discount rates for land and buildings that are leased to an associate and was considered by appraisal value of the Treasury Department for land not used in operations. The fair value of investment property has been categorised as a Level 3 fair value.

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10 Property, plant and equipment

Financial statements in which the equity method is applied and separate financial statements

	Land and improvements	Buildings and improvements	Machinery and equipment	Factory equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
Cost								
At 1 April 2020	205,060	757,859	1,805,491	3,694,198	162,007	1,645	92,543	6,718,803
Additions	960	3,803	13,388	41,371	7,586	-	243,617	310,725
Transfers	15,396	19,327	85,755	101,704	15,086	-	(237,268)	-
Disposals / write-off	(369)	(3,495)	(21,261)	(43,902)	(8,448)	(8)	-	(77,483)
At 31 March 2021 and 1 April 2021	221,047	777,494	1,883,373	3,793,371	176,231	1,637	98,892	6,952,045
Additions	-	760	11,887	44,288	11,771	-	312,562	381,268
Transfers	-	16,189	70,702	177,373	8,711	-	(272,975)	-
Disposals / write-off	-	(4,505)	(34,026)	(39,747)	(4,978)	(12)	-	(83,268)
At 31 March 2022	221,047	789,938	1,931,936	3,975,285	191,735	1,625	138,479	7,250,045
Depreciation								
At 1 April 2020	36,264	687,164	1,280,832	3,062,906	114,895	713	-	5,182,774
Depreciation charge for the year	2,134	16,480	80,024	263,746	19,097	313	-	381,794
Disposals / write-off	(368)	(3,495)	(20,971)	(43,804)	(8,380)	(8)	-	(77,026)
At 31 March 2021 and 1 April 2021	38,030	700,149	1,339,885	3,282,848	125,612	1,018	-	5,487,542
Depreciation charge for the year	2,872	17,842	78,168	231,507	19,871	303	-	350,563
Disposals / write-off	-	(4,475)	(30,500)	(39,375)	(4,918)	(11)	-	(79,279)
At 31 March 2022	40,902	713,516	1,387,553	3,474,980	140,565	1,310	-	5,758,826
Net book value								
At 31 March 2021	183,017	77,345	543,488	510,523	50,619	619	98,892	1,464,503
At 31 March 2022	180,145	76,422	544,383	500,305	51,170	315	138,479	1,491,219

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The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 March 2022 amounted to Baht 4,563.99 million (2021: Baht 4,320.12 million).

11 Leases

<i>Right-of-use assets</i> <i>At 31 March</i>	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Land	8,486	9,985
Vehicles	9,206	9,997
Total	17,692	19,982

For the year ended 31 March 2022, additions to the right-of-use assets of the Company were Baht 6.37 million (2021: 1.59 million).

The Company leases a number of land and vehicles for 3 - 6 years, with extension options at the end of lease term for land lease contract. The rental is payable monthly as specified in the contract.

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 March</i>	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
Depreciation of right-of-use assets:		
- Land	2,829	2,496
- Vehicles	5,828	5,355
Interest on lease liabilities	311	334
Expenses relating to short-term leases	59	856

For the year ended 31 March 2022, total cash outflow for leases of the Company were Baht 8.73 million (2021: Baht 7.76 million).

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12 Intangible assets

	Financial statements in which the equity method is applied and separate financial statements			Total
	Software licences	Computer software <i>(in thousand Baht)</i>	Golf course membership	
Cost				
At 1 April 2020	37,460	29,416	962	67,838
Additions	308	2,611	-	2,919
At 31 March 2021 and 1 April 2021	37,768	32,027	962	70,757
Additions	-	4,898	-	4,898
At 31 March 2022	37,768	36,925	962	75,655
Amortisation				
At 1 April 2020	11,888	19,743	813	32,444
Amortisation for the year	4,095	3,881	149	8,125
At 31 March 2021 and 1 April 2021	15,983	23,624	962	40,569
Amortisation for the year	4,099	3,799	-	7,898
At 31 March 2022	20,082	27,423	962	48,467
Net book value				
At 31 March 2021	21,785	8,403	-	30,188
At 31 March 2022	17,686	9,502	-	27,188

13 Provision for warranties

	Financial statements in which the equity method is applied and separate financial statements <i>(in thousand Baht)</i>
At 1 April 2020	112,196
Provisions made	69,407
Provisions used	(82,349)
At 31 March 2021 and 1 April 2021	99,254
Provisions made	48,844
Provisions used	(63,098)
At 31 March 2022	85,000

A provision for product warranties is recognised when the underlying products or services are sold. The provision is based on historical actual claimed data and a weighting of all possible outcomes against their associated probabilities. Management estimates the provision for warranties by estimation from the proportion of actual warranty claimed and total sales of products during average claimed years.

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14 Non-current provisions for employee benefits

<i>At 31 March</i>	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Post-employment benefits		
Defined benefit plan	261,163	288,474
Other long-term employee benefits	15,041	16,602
Total	276,204	305,076

Defined benefit plan

The Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<i>Present value of the defined benefit obligations</i>	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
At 1 April	305,076	317,632
<i>Recognised in profit or loss:</i>		
Current service cost	19,258	20,977
Past service cost	(781)	932
Interest on obligations	5,909	4,080
	24,386	25,989
<i>Recognised in other comprehensive income:</i>		
Actuarial (gain) loss		
- Demographic assumptions	-	67
- Financial assumptions	(10,925)	(19,396)
- Experience adjustment	2,341	5,855
	(8,584)	(13,474)
Benefit paid	(44,674)	(25,071)
At 31 March	276,204	305,076

<i>Principal actuarial assumptions</i>	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(%)</i>	
Discount rate	2.26 - 2.58	1.68 - 2.11
Future salary growth	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 March 2022, the weighted-average duration of the defined benefit obligation was 10 - 13 years (2021: 9 - 13 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

<i>Effect to the defined benefit obligation At 31 March</i>	Financial statements in which the equity method is applied and separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Discount rate	(22,026)	(23,519)	25,518	27,290
Future salary growth	18,869	20,019	(16,606)	(17,604)

15 Share premium and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public 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.

Other component of equity

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI.

16 Segment information and disaggregation of revenue

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 sales goods in domestic and overseas. The chief operating decision maker (CODM) determines operating segment on a geographical basis as follows:

- Segment 1 Sale of goods and rendering of services in Thailand
- Segment 2 Sale of goods in Japan
- Segment 3 Sale of goods in other countries

The Company’s strategic divisions are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports at least on a monthly basis.

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

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The Company's operations mainly involve business segments in manufacturing and selling of household electrical appliances in Thailand and sale goods in both domestic and oversea (Japan and other countries). Financial information of the Company by operating segments on a geographical basis for the years ended 31 March 2022 and 2021 was as follows:

	Overseas						Total
	Domestic		Japan		Others		
	2022	2021	2022	2021	2022	2021	
For the year ended 31 March							
Revenue from sale of goods and rendering of services	3,092,019	3,225,582	3,412,821	3,491,509	1,393,050	1,568,719	8,285,810
Segment profit	143,814	527,112	414,577	774,218	(92,723)	41,700	1,343,030
Unallocated expenses							(743,830)
Investment income							475,077
Net foreign exchange gain							40,549
Other income							67,127
Finance costs							(311)
Share of profit of associate							2,190
Profit before tax expense							312,416
Tax income (expense)							24,647
Profit for the year							337,063
Segment assets as at 31 March							10,253,183
Segment liabilities as at 31 March							2,241,361
							2,152,212

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Major customers

Revenues from major customers of the Company's 1 and 2 segments represents approximately Baht 6,406.65 million (2021: Baht 6,571.09 million) of the Company's total revenue.

Promotional privileges

The Company has been granted promotional certificates by the Office of the Board of Investment for manufacturing and distributing household electrical appliances business. The Company has been granted several privileges including exemption from payment of import duty on imported raw material for using in production for export from promoted operations with certain terms and conditions prescribed in the promotional certificates.

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

17 Investment income

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<i>Rental income</i>					
Rental income from operating lease of investment properties	4, 9	17,178	17,178	17,178	17,178
<i>Dividend income</i>					
Associate	4	-	-	7	24
Other related parties	4	439,148	425,068	439,148	425,068
Other parties		269	276	269	276
		<u>439,417</u>	<u>425,344</u>	<u>439,424</u>	<u>425,368</u>
<i>Interest income</i>					
Other related parties	4	676	1,092	676	1,092
Other parties		21,229	31,463	21,229	31,463
		<u>21,905</u>	<u>32,555</u>	<u>21,905</u>	<u>32,555</u>
Total		<u>478,500</u>	<u>475,077</u>	<u>478,507</u>	<u>475,101</u>

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18 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Included in cost of sale of goods:</i>		
Changes in inventories of finished goods and work in progress	(73,711)	4,470
Raw materials and consumables used	5,537,088	5,049,564
Employee benefit expenses	958,910	903,792
Depreciation and amortisation	336,021	367,608
<i>Included in distribution costs:</i>		
Royalty fee	167,744	178,763
Transportation expenses	208,968	143,594
Product warranty expense	48,844	69,407
Advertising and sales promotion expenses	10,159	17,055
<i>Included in administrative expenses:</i>		
Product development fee	224,977	233,558
Employee benefit expenses	215,033	183,211
Warehouse rental charge	57,172	59,124

19 Income tax

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Income tax recognised in profit or loss</i>		
Current tax expense		
Current year	-	131,599
Adjustment for prior years	76	-
	<u>76</u>	<u>131,599</u>
Deferred tax expense		
Movements in temporary differences	(24,723)	5,183
	<u>(24,723)</u>	<u>5,183</u>
Total tax (income) expense	<u>(24,647)</u>	<u>136,782</u>

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Financial statements in which the equity method is applied and separate financial statements						
	2022			2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>Income tax</i>			(in thousand Baht)			
Recognised in other comprehensive income (expense)						
Financial assets measured at FVOCI	(278,733)	55,747	(222,986)	2,448,135	(489,627)	1,958,508
Defined benefit plan actuarial gains (losses)	8,584	(1,717)	6,867	13,475	(2,695)	10,780
Total	(270,149)	54,030	(216,119)	2,461,610	(492,322)	1,969,288

Financial statements in which the equity method is applied				
<i>Reconciliation of effective tax rate</i>	2022		2021	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before tax expense		312,416		1,135,063
Income tax using the Thai corporation tax rate	20.00	62,483	20.00	227,012
Income not subject to tax		(88,322)		(85,074)
Additional deduction expenses for tax purposes		(231)		(5,838)
Expenses not deductible for tax purposes		1,347		682
Under provided in prior years		76		-
Total	(7.89)	(24,647)	12.05	136,782

Separate financial statements				
<i>Reconciliation of effective tax rate</i>	2022		2021	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before tax expense		310,232		1,135,063
Income tax using the Thai corporation tax rate	20.00	62,046	20.00	227,012
Income not subject to tax		(87,885)		(85,074)
Additional deduction expenses for tax purposes		(231)		(5,838)
Expenses not deductible for tax purposes		1,347		682
Under provided in prior years		76		-
Total	(7.94)	(24,647)	12.05	136,782

Financial statements in which the equity method is applied and separate financial statements				
<i>Deferred tax</i>	Assets		Liabilities	
	2022	2021	2022	2021
At 31 March				
		(in thousand Baht)		
Total	111,294	88,288	(445,003)	(500,750)
Set off of tax	(111,294)	(88,288)	111,294	88,288
Net deferred tax assets (liabilities)	-	-	(333,709)	(412,462)

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

	Financial statements in which the equity method is applied and separate financial statements			At 31 March 2022
	At 1 April 2021	(Charged) / Credited to:		
Deferred tax		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Right-of-use assets	84	49	-	133
Inventories <i>(allowance for decline in value)</i>	4,103	1,043	-	5,146
Investment properties <i>(impairment losses on land not used in operations)</i>	1,134	-	-	1,134
Contract assets	44	(44)	-	-
Provision for warranties	19,851	(2,851)	-	17,000
Non-current provisions for employee benefits	61,016	(4,059)	(1,717)	55,240
Provident funds	2,056	(495)	-	1,561
Loss carry forward	-	31,080	-	31,080
Total	88,288	24,723	(1,717)	111,294
Deferred tax liabilities				
Property, plant and equipment <i>(depreciation gap)</i>	(11,846)	-	-	(11,846)
Financial assets measured at FVOCI	(488,904)	-	55,747	(433,157)
Total	(500,750)	-	55,747	(445,003)
Net	(412,462)	24,723	54,030	(333,709)

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

	Financial statements in which the equity method is applied and separate financial statements			At 31 March 2021
	At 1 April 2020	(Charged) / Credited to:		
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Right-of-use assets	-	84	-	84
Inventories <i>(allowance for decline in value)</i>	6,692	(2,589)	-	4,103
Financial assets measured at FVOCI	723	-	(723)	-
Investment properties <i>(impairment losses on land not used in operations)</i>	1,078	56	-	1,134
Contract assets	-	44	-	44
Provision for warranties	22,439	(2,588)	-	19,851
Non-current provisions for employee benefits	63,527	184	(2,695)	61,016
Provident funds	2,430	(374)	-	2,056
Total	96,889	(5,183)	(3,418)	88,288
<i>Deferred tax liability</i>				
Property, plant and equipment <i>(depreciation gap)</i>	(11,846)	-	-	(11,846)
Financial assets measured at FVOCI	-	-	(488,904)	(488,904)
Total	(11,846)	-	(488,904)	(500,750)
Net	85,043	(5,183)	(492,322)	(412,462)

20 Basic earnings per share

<i>For the year ended 31 March</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	337,063	998,280	334,880	998,281
Number of ordinary shares outstanding	19,800	19,800	19,800	19,800
Earnings per share (basic) <i>(in Baht)</i>	17.02	50.42	16.91	50.42

21 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
2022				
Annual dividend for 2021	22 July 2021	August 2021	25.25	499.95
2021				
Annual dividend for 2020	23 July 2020	August 2020	15.70	310.86

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

22 Financial instruments

(a) *Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Financial statements in which the equity method is applied and separate financial statements			
	Carrying amount	Fair value		
<i>At 31 March</i>	Total	Level 1	Level 2	Total
		<i>(in thousand Baht)</i>		
2022				
Financial assets				
Other financial assets:				
Equity instruments	2,328,411	3,885	-	2,324,526
Total other financial assets	2,328,411			2,328,411
2021				
Financial assets				
Other financial assets:				
Equity instruments	2,607,144	3,555	-	2,603,589
Total other financial assets	2,607,144			2,607,144

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

Financial instruments not measured at fair value

The Company determined Level 3 fair values for investments in equity instruments which is not actively traded in market. The fair value of the investment was then determined using a valuation technique that used significantly unobservable input such as dividend discounted model, and market comparison technique.

Sensitivity analysis

For the fair values of financial assets measured at fair value Level 3, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects;

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Dividend discounted model	Discount rate	The estimated fair value would increase (decrease) if the discount rate was lower (higher)
Market comparison technique	Adjusted market multiple	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower)

Reconciliation of Level 3 fair values	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Equity securities		
At the beginning of the year	2,603,589	157,362
Net change in fair value (including unrealised transactions) - recognised in OCI	(279,063)	2,446,227
At the end of the year	<u>2,324,526</u>	<u>2,603,589</u>

(b) *Financial risk management policies*

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2022

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

(b.1.1) Trade accounts receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's trade terms and conditions are offered. The Company's review sale limits for each customer regularly. Any sales exceeding those limits require approval.

The Company limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 4 months. Outstanding trade receivables are regularly monitored by the Company. An impairment analysis is performed by the Company at each reporting date. The provision rates of expected credit loss are based on days past due for to reflect differences between economic conditions in the past, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 6.

(b.1.2) Cash and cash equivalent

The Company's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Company considers to have low credit risk.

(b.2) 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.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Kang Yong Electric Public Company Limited
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**Financial statements in which the equity method is applied
and separate financial statements**
Contractual cash flows

<i>At 31 March</i>	Carrying amount	Within 1 year	1 - 5 years <i>(in thousand Baht)</i>	More than 5 years	Total
2022					
Non-derivative financial liabilities					
Trade payables	1,147,050	1,147,050	-	-	1,147,050
Other payables	362,505	362,505	-	-	362,505
Lease liabilities	18,734	8,109	10,625	-	18,734
	<u>1,528,289</u>	<u>1,517,664</u>	<u>10,625</u>	<u>-</u>	<u>1,528,289</u>
2021					
Non-derivative financial liabilities					
Trade payables	892,684	892,684	-	-	892,684
Other payables	347,638	347,638	-	-	347,638
Lease liabilities	20,870	7,669	13,201	-	20,870
	<u>1,261,192</u>	<u>1,247,991</u>	<u>13,201</u>	<u>-</u>	<u>1,261,192</u>

(b.3) Market risk

The Company is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

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

**Financial statements in which the equity method is applied
and separate financial statements**

	2022			2021		
<i>Exposure to foreign currency at 31 March</i>	USD	JPY	Other <i>(in thousand Baht)</i>	USD	JPY	Other
Financial assets	579,636	35,889	5,358	507,372	41,433	-
Financial liabilities	<u>(119,015)</u>	<u>(73,335)</u>	<u>(863)</u>	<u>(108,297)</u>	<u>(72,883)</u>	<u>(2,045)</u>
Net statement of financial position exposure	460,621	(37,446)	4,495	399,075	(31,450)	(2,405)
Forward exchange selling contracts	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,339)</u>	<u>-</u>	<u>-</u>
Net exposure	<u>460,621</u>	<u>(37,446)</u>	<u>4,495</u>	<u>367,736</u>	<u>(31,450)</u>	<u>(2,405)</u>

Kang Yong Electric Public Company Limited
Notes to the financial statements
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Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Financial statements in which the equity method is applied and separate financial statements	
		Strengthening (in thousand Baht)	Weakening
<i>At 31 March 2022</i>			
USD	1	(4,606)	4,606
JPY	1	375	(375)
<i>At 31 March 2021</i>			
USD	1	3,679	(3,679)
JPY	1	(314)	314

(b.3.2) 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 loan interest rates are mainly fixed. So the Company has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Company.

23 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

24 Commitments with non-related parties

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Plant and equipment	<u>52,184</u>	<u>25,466</u>
<i>Other commitments</i>		
Short-term lease commitments	-	4,790
Bank guarantees	<u>13,000</u>	<u>15,765</u>
Total	<u>13,000</u>	<u>20,555</u>

ATTACHMENT 1

DETAILS OF MANagements AND CORPORATE SECRETARY

There are 17 Executives as at april 1, 2022.

No.	Name / Position	Age (Year)	Certification	Shares %	Relationship of the management	Experience		Related Training	
						Period	Position		
1	Mr. Praphad Phodhivorakhun Chairman of the Board of Directors / Chairman of the Board of Executive Directors / Member of Nomination and Remuneration Committee	76	<ul style="list-style-type: none"> Sheffield College of Technology England, Business Management Famkhamhang University, Master Degree in Public Administration (MPA) and Master Degree in Business Administration (MBA) Rajabhat University of Lampang, Honorary Doctorate Degree in Business Administration 	<ul style="list-style-type: none"> 170,970 Shares or 0.86 % 	<ul style="list-style-type: none"> Elder Brother of Mr. Praphon Potivorakun Father of Mr. Chayanind Phodhivorakhun 	<ul style="list-style-type: none"> Nov 1995 - Present Jul 1996 - Present Oct 1999 - Present 2004 - Present Aug 2008 - Present 	<ul style="list-style-type: none"> Chairman of the Board of Directors Chairman of the Board of Directors Chairman & Chairman of Executive Directors Independent Director Member of Nomination and Remuneration Committee 	<ul style="list-style-type: none"> Mitsubishi Electric Kang Yong Waitana Company Limited Yokohama Rubbers (Thailand) Company Limited Kang Yong Electric Public Company Limited Polyplex (Thailand) Public Company Limited Kang Yong Electric Public Company Limited 	<ul style="list-style-type: none"> RCP/2547 DCP/2548 RCC/2550
2	Mr. Keiji Oya Vice Chairman of the Board of Directors / Vice Chairman of Executive Directors / Member of Product Pricing Committee / Member of Nomination and Remuneration Committee / President	54	<ul style="list-style-type: none"> Gifu University, Japan 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Nov 2012 - Dec 2017 Dec 2017 - Mar 2018 Apr 2018 - Mar 2022 Apr 2022 - Present 	<ul style="list-style-type: none"> Senior Manager, Engineering Section Refrigerator Manufacturing Department Deputy General Manager, Refrigerator Manufacturing Department General Manager, Refrigerator Manufacturing Department Vice Chairman of the Board of Directors / Vice Chairman of Executive Directors / Member of Product Pricing Committee / Member of Nomination and Remuneration Committee / President 	<ul style="list-style-type: none"> Mitsubishi Electric Corporation, Shizuoka Works Mitsubishi Electric Corporation, Shizuoka Works Mitsubishi Electric Corporation, Shizuoka Works Kang Yong Electric Public Company Limited 	
3	Mr. Yasuhiro Negishi Director / Executive Director / Member of Product Pricing Committee / Executive Vice President	51	<ul style="list-style-type: none"> Chuo University (Japan), Bachelor of Precision Mechanics 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Apr 2013 - Mar 2016 Apr 2016 - Mar 2019 Apr 2019 - Dec 2021 Jan 2022 - Mar 2022 Apr 2022 - Present 	<ul style="list-style-type: none"> Manager, Residential Ventilation Manufacturing Dept. Manager, Manufacturing Engineering Dept. General Manager, Manufacturing Engineering Dept. Business Improvement Project Leader Director / Executive Director / Member of Production Pricing Committee / Executive Vice President 	<ul style="list-style-type: none"> Mitsubishi Electric Corporation, Nakatsugawa Works Mitsubishi Electric Corporation, Nakatsugawa Works Mitsubishi Electric Corporation, Nakatsugawa Works Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited 	

No.	Name / Position	Age (Year)	Certification	Shares %	Relationship of the management	Experience		Related Training	
						Period	Position		Company
4	Mr. Chayanind Phodhivorakhun Deputy General Manager Planning & Administration Division / (Acting) Department Manager, Corporate Strategic Planning Office Department	44	<ul style="list-style-type: none"> Master of Management in International Business of Chulalongkorn University 	<ul style="list-style-type: none"> 265,583 Shares or 1.34% 	<ul style="list-style-type: none"> Son of Mr.Prapad Phodhivorakhun 	<ul style="list-style-type: none"> 2018 - 2020 Apr 2020 - Mar 2021 Apr 2021 - Present Apr 2021 - Present 	<ul style="list-style-type: none"> Manager, Global Strategy Planning Section, Planning & Administration Department, Living Environment & Digital Media Equipment Group Department Manager, Strategic Planning Office Department Director / Executive Director Deputy General Manager Planning & Administration Division / (Acting) Department Manager, Corporate Strategic Planning Office Department Manager 	<ul style="list-style-type: none"> Mitsubishi Electric Corporation Head Quarter, Japan Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited 	
5	Mr. Atakrit Sivasarit General Manager Planning & Administration Division and / General Administration Department Manager (Acting)	55	<ul style="list-style-type: none"> The National Institute of Development Administration, Master Degree of Economics 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Apr 2014 - Mar 2017 Apr 2017 - Mar 2020 Apr 2017 - Present Apr 2020 - Present 	<ul style="list-style-type: none"> Deputy General Manager and General Administration Department Manager General Manager Planning Division (Acting) General Administration Department Manager General Manager Planning & Administration Division Manager 	<ul style="list-style-type: none"> Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited 	
6	Mr. Sinchai Kowitwanapaisal General Manager Production Division / Production Engineering Department Manager	56	<ul style="list-style-type: none"> Bachelor of Industrial Engineering Prince of Songkla University Mini MBA, Kasetsart University TLCA Executive Development Program 	<ul style="list-style-type: none"> 350 shares 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Apr 2014 - Mar 2017 Apr 2017 - Mar 2020 Apr 2017 - Present Apr 2020 - Present 	<ul style="list-style-type: none"> Deputy General Manager and Production Engineering Department Manager General Manager Engineering Division (Acting) Production Engineering Department Manager General Manager Production Division 	<ul style="list-style-type: none"> Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited 	
7	Mr. Hitoshi Maruyama Director / Deputy General Manager Production Division	57	<ul style="list-style-type: none"> Keio University, Japan, Bachelor of Engineering 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Nov 2012 Apr 2020 - Present Apr 2020 - Present 	<ul style="list-style-type: none"> Deputy General Manager, Refrigerator Department Director Deputy General Manager Production Division 	<ul style="list-style-type: none"> Mitsubishi Electric Corporation, Shizuoka Works Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited 	
8	Mr. Nobumasa Sasaki Deputy General Manager Production Division	50	<ul style="list-style-type: none"> Bachelor of Mechanical Engineering Waseda University, Tokyo 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Apr 2015 - Mar 2018 Apr 2018 - Mar 2020 Apr 2020 - Present 	<ul style="list-style-type: none"> Residential Ventilation Iida Quality Control Section Residential Ventilation, Manufacturing Department Residential Ventilation Engineering 2 Section Residential Ventilation Manufacturing Department Deputy General Manager Production Division 	<ul style="list-style-type: none"> Mitsubishi Electric Corporation, Nakatsugawa Works Mitsubishi Electric Corporation, Nakatsugawa Works Kang Yong Electric Public Company Limited 	

No.	Name / Position	Age (Year)	Certification	Shares %	Relationship of the management	Experience			Related Training
						Period	Position	Company	
9	Mr. Aniwat Saelim Deputy General Manager Planning & Administration Division / (Acting) Finance Department Manager	54	• Bachelor of Economics Economics of Industrial Ramkhamhaeng University	• None	• None	• May 2016 - Present • Apr 2017 - Mar 2018	Corporate Secretary Deputy General Manager Administration Division Corporate Strategic Planning Office Department Manager / (Acting) Finance Department Manager Deputy General Manager Administration Division Finance Department Manager Deputy General Manager Planning & Administration Division (Acting) Finance Department Manager	Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited	
10	Mr. Pensak Plavuthithoi Department Manager Internal Audit Control Office	55	• Master of Business Administration The National Institute of Development Administration	• None	• None	• Oct 2015 - Mar 2018 • Apr 2018 - Mar 2020 • Apr 2020 - Present	Fan Production Department Manager Corporate Strategic Planning Office Department Manager Internal Audit Control Office Department Manager	Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited	
11	Mr. Mongkol Thadtayatikom Quality Assurance Department Manager	55	• Master of Business Administration Thammasat University	• None	• None	• Apr 2007 - Mar 2009 • Apr 2009 - Present	Quality Assurance and Production Engineering Deputy Department Manager Quality Assurance Department Manager	Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited	
12	Mr. Hideki Shibata Marketing Department Manager	47	• Kwansai Gakuin University	• None	• None	• Jul 2017 - Oct 2019	Manager, Home appliances Global Planning Sec., Strategy & Business Planning Dept., Work (or Office) Manager, Oversea Sec., Marketing Dept., Work (or Office) Marketing Department Manager	Mitsubishi Electric Corporation Mitsubishi Electric Home appliance Corporation Kang Yong Electric Public Company Limited	
13	Mr. Toshihiko Sato Purchase Department Manager	54	• Waseda University Japan	• None	• None	• Apr 2004 - Mar 2017 • Apr 2017 - Mar 2022 • Apr 2022 - Present	Purchasing Section Manager, Purchasing Dept. Purchasing Section Senior Manager, Purchasing Dept. Purchasing Department Manager	Mitsubishi Electric Corporation, Shizuoka Works Mitsubishi Electric Corporation, Shizuoka Works Kang Yong Electric Public Company Limited	
14	Mr. Renoo Wornkhanthak Tool & Plastic Production Department Manager	52	• Master of Business Administration (General Management) Ramkhamhaeng University	• None	• None	• Apr 2013 - Sep 2017 • Oct 2017 - Mar 2020 • Apr 2020 - Present	Mold&DIE Section Manager (MDS) Tool & Plastic Production Deputy Department Manager Tool & Plastic Production Department Manager	Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited	

No.	Name / Position	Age (Year)	Certification	Shares %	Relationship of the management	Experience		Related Training	
						Period	Position		
15	Mr. Supoj Eupamae FP Production Department Manager	56	<ul style="list-style-type: none"> Bachelor of Science Industrial Management Technology Dhonburi Rajabhat University 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Apr 2015 - Mar 2018 Apr 2018 - Mar 2020 Apr 2020 - Present 	<ul style="list-style-type: none"> Fan Quality Control Section Manager FP Production Deputy Department Manager FP Production Department Manager 	<ul style="list-style-type: none"> Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited 	
16	Mr. Watcharaphon Chomdong Water Pump Production Department Manager	49	<ul style="list-style-type: none"> Bachelor of Engineering Electrical Engineering Rajamangala University 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Apr 2007 - Mar 2018 Apr 2018 - Mar 2020 Apr 2020 - Present 	<ul style="list-style-type: none"> Water Pump Design & Engineering Section Manager Water Pump Production Deputy Department Manager Water Pump Production Department Manager 	<ul style="list-style-type: none"> Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited 	
17	Mr. Trawit Wongtragul Refrigeration Production Department Manager	50	<ul style="list-style-type: none"> Bachelor of Industrial Engineering Rajamangala University of Technology 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Apr 2015 - Mar 2017 Apr 2017 - Mar 2018 Apr 2018 - Present 	<ul style="list-style-type: none"> Production Engineering Section Manager Production Engineering Deputy Department Manager Refrigerator Production Department Manager 	<ul style="list-style-type: none"> Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited Kang Yong Electric Public Company Limited 	<ul style="list-style-type: none"> AOFS (Japan) Executive Mini MBA (NIDA) Middle Management Seminar (MEAP)

Corporate Secretary Profile

No.	Name / Position	Education	Work Experience	
			Period	Position
1	Mr. Aniwat Saelim Deputy General Manager Planning & Administration Division Secretary of Product Pricing Committee Secretary of Executive of Directors Corporate Secretary	<ul style="list-style-type: none"> Bachelor of Economics Economics of industrial, Ramkhamhaeng University 	<ul style="list-style-type: none"> Apr 2012 - Mar 2020 Apr 2012 - Mar 2020 May 2016 - Present Apr 2016 - Mar 2017 Apr 2017 - Mar 2018 Apr 2018 - Mar 2020 Apr 2020 - Present 	<ul style="list-style-type: none"> Finance Department Manager Secretary of Nomination and Remuneration Committee Secretary of Product Pricing Committee Secretary of Executive of Directors Corporate Secretary Finance Department Manager and (Acting) Corporate Strategic Planning Office Department Manager Deputy General Manager Administration Division Corporate Strategic Planning Office Department Manager (Acting) Finance Department Manager Deputy General Manager Administration Division Finance Department Manager Deputy General Manager Planning&Administration Division (Acting) Finance Department Manager

- None -

Name: Mr. Pensak Plavuthithothai**Position :** Department Manager of Internal Audit Control Office**Educational background :**

- Bachelor's degree, Mechanical Engineering, Kasetsart University
- Master's degree, Business Administration, National Institute of Development Administration (NIDA)

Related work experience and training**Work Experience**

- Apr 2010 - Mar 2014
Department Manager of Production Engineering department
- Apr 2014 - Mar 2018
Department Manager of Fan Production department
- Apr 2018 - Mar 2020
Department Manager of Corporate Strategy Planning Office
- Apr 2020 - Present
Department Manager of Internal Audit Control Office

Training

- Course of ISO 9001, ISO 14001 Internal Auditor by Bureau Veritas Thailand
- Course of Risk Management, Internal Audit Process, Internal Control and Compliance Audit by Kang Yong Electric Public Company Limited
- E-Learning course of Business Ethics, Competition, Anti Bribery, Conflict of Interest, Environmental Management by Kang Yong Electric Public Company Limited
- Responsible for the Common and Senior Energy (heat) by Bureau of Energy Human Resource Development, Ministry of Energy

- None -

1. Corporate Governance and Business Ethics Handbooks

Kang Yong Electric Public Company Limited (KYE) has defined the corporate governance policy for the Board of Directors, all executives and employees to adhere to as a guiding principle in their work, to promote KYE as a company with efficient business operations, excellent corporate governance and management, integrity, transparency and auditability. KYE has announced its good corporate governance principles and formulated the Corporate Governance, Ethical Standards and Code of Business Ethics Handbook for the acknowledgement and adoption of the Board of Directors, all executives and

employees as their practical guidelines at work. The Handbook is publicized on KYE Intranet and web site. Further details related to PTT's corporate governance and Corporate Governance, Ethical Standards and Code of Business Ethics Handbook can be studied in the links below;
<https://www.mitsubishi-kye.com/EN/corporate-comp.asp>

2. Responsibility of the Board of Directors and Sub Committee

2.1 Duty and Responsibility of the Board of Directors

1. Carry out its duties under Articles of Association and ensure that management complies with applicable laws, objectives, Articles of Association, and resolutions of shareholders' meetings.
2. Monitor and supervise the management to operate in accordance with the specified policies. including considering potential risks for effective results
3. Monitor and ensure plan implementation in line with major strategies and policies, including objectives, financial targets and operating plans, budget. and consider potential risks so as to ensure that management can effectively drive plans into practice
4. Institute systems for corporate accounting, financial reporting and auditing, as well as the efficient and effective internal control and internal audit systems.
5. Oversee and supervise issues regarding potential conflicts of interest and related-party transactions.
6. Define comprehensive risk management guidelines and ensure an efficient risk management system or process
7. Ensure accurate, clear, transparent, reliable, and high-quality disclosure of information.
8. Express leadership and be role models for performance excellence.

2.2 Duty and Responsibility of Sub committee

Audit Committee

Duty and Responsibility of Audit Committee

1. Review the company financial reports to have correctness and sufficient disclosure by coordinating with external auditors and the in-charge management of quarterly and annual reports. The Audit Committee may advise the auditor to reconcile or check any necessary and important items during the company audit

2. To Review the company's Internal Control system and Internal Audit systems to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to give opinions to the management that regard to appointment, transfer and dismissal of the chief of an internal audit manager or any other unit in charge of an internal audit.
3. Review the company practices complying to the company's articles of association, Security and Exchange Act, Stock Exchange of Thailand's requirements, or business related laws.
4. Consider, select and nominate an independent person to be the Company's auditor, and to propose such auditing remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. Review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations and are reasonable and for the highest benefit of the Company.
6. Prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information.
 - (A) an opinion on the accuracy, completeness and creditability of the Company's financial report.
 - (B) an opinion on the adequacy of the Company's internal control system.
 - (C) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business.
 - (D) an opinion on the suitability of an auditor.
 - (E) an opinion on the transactions that may lead to conflicts of interests,
 - (F) the number of the audit committee meetings, and the attendance of such meetings by each committee member.
 - (G) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - (H) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
7. Review policy and practices regarding budget withdrawal and company asset using of employees including consideration of audit result done by internal auditor or the auditor.
8. Ask for the necessary level of risks including the method to relief the risk from the management, internal audit section, and the auditor.
9. Review and consider the following items with the management and internal audit section.
 - 9.1 Major defects or significant differences of the company policy or the company goals during the year and the corrective actions by the management.
 - 9.2. Any difficulties during audit including scope of operation, information access, and data informing for audit.
 - 9.3 Scope of audit, annual audit plan, special audit plan of internal audit section or the auditor.
 - 9.4 Charter, working standard, performance, manpower and budget of internal audit section.
 - 9.5 Legal significance and reconciliation to compliance section regarding requirements in order to protect any possible actions effecting financial statement or defined requirements.

10. Review and consider with the management and the auditor the following items after annual audit complete.
 - 10.1 Annual financial statement and notations, and auditor's report
 - 10.2 Notes and additional recommendations for auditor's audit plan
 - 10.3 Significant difficulties or conflicts with the management during auditor's audit
 - 10.4 Other significant contents regarding audit standards that the Audit Committee should understand or communicate with the auditor.
11. Review other services in the case of the auditor or audit firm is the service provider and specify the hire rate by discussing with the management regarding the specific job assigned to the auditor if necessary.
12. The Audit Committee may search for independent comments from consultants in other professions if it is necessary with the company expenses.
13. The Audit Committee shall keep merit business confidentiality in order to have no negative effects to the company.
14. Review and correct the Charter of Audit Committee regularly once a year in order to have it up to date and suitable for organization's environment.
15. Other operations assigned the Board of Directors and approved by the Audit Committee and there would not any other operations beyond what mentioned in the Charter unless otherwise specified.

Nomination and Remuneration Committee

Duty and Responsibility of Nomination and Remuneration Committee

1. To establish, and ensure clarity and transparency of, the policy, rule and method for nomination and remuneration of the Directors, Executive Directors and members of other board committees and propose for the Board of Directors' approval.
2. To nominate, select and propose qualified persons, as defined by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), to serve as the Directors, Executive Directors and members of all board committees for approval by the Board of Directors.
3. To review the structure of the Board of Directors and remuneration in conformity with changes in rules and regulations of the SEC and the SET by basing on the core structure of the Board of Directors, Board of Executive Directors and all board committees, and to review and ensure that it fits with the Company's business status and is commensurate with their duties and responsibilities for further approval by the Board of Directors.
4. To review and amend the NRC Charter to conform to changes in rules and regulations of the SEC and the SET.
5. To perform any tasks as assigned by the Board of Directors and concerned with directors' nomination and remuneration.

Product Pricing Committee

Duty and Responsibility of Product Pricing Committee

1. To monitor and ensure that the Company's management determines prices for Mitsubishi Electric Kang Yong Watana Co., Ltd. in compliance with the Company's pricing policy, whereby prices shall be set at standard production cost plus a weighted average margin on all product categories of at least 20%.
2. To sign off every agreeable pricing with Mitsubishi Electric Kang Yong Watana Co., Ltd., whereby if there is any change in price that causes the Company to be unable to comply with the pricing policy, the Company shall add the standard production cost with an additional weighted average margin on all product categories of at least 10% and shall provide rationale thereof and seek unanimous approval from the Product Pricing Committee.
3. To monitor and ensure that the Company's management implements the pricing policy with integrity and due care and for the benefit of the Company. In the event that the Board of Directors discovers any act or omission of an act that causes damage to the Company, the Board of Directors shall take action to ensure the Company is compensated for such damage.

The Audit Committee of Kang Yong Electric Public Company Limited as appointed by the Company's Board of Directors is composed of three independent directors, namely Mr. Arthakrit Visudtibhan as Chairman of Audit Committee, Police Major General Sahaschai Indrasukhsri and Dr. Apichai Boontherawara. A Board of Directors meeting appointed Dr. Apichai Boontherawara as a financial advisor to review the reliability of the Company's financial statements to the Audit Committee as he has adequate knowledge and experience in such field.

The Audit Committee has performed the following duties independently in the scope of responsibilities prescribed in the Audit Committee Charter, which are consistent with the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC). The operations of the Audit Committee in the fiscal year 2021 (April 2021 - March 2022) are summarized as below:

1. Financial Statement Review

The Audit Committee reviewed important information on quarterly financial statements and annual financial report for the fiscal year 2021. With the explanation given by and inquiries made on significant points with the external auditors and Finance Department Manager of the Company, the Committee expressed an opinion that the Company's financial statements are accurate and complete, with adequate and reliable disclosure of information following the generally accepted accounting standards. The auditors also reported the independence in performing the duties and auditing related issues founded for the consideration of the Audit Committee in all respects.

Besides, the Audit Committee acknowledged the notable points and implementation relating to the changes in the relevant accounting and financial reporting standards.

2. Risk Management Review

The Audit Committee considered the risk management policy, risk assessment, and risk management plan and approach. The Committee set up the Risk Management Committee with the President as a Chairman and working groups comprising management members from all departments. The roles of the Risk Management Committee are, to identify risks which might hinder business operations from achieving the Company's targets and objective. Second, to assess risk levels weighing on its potential to impact the organization materially. Lastly, to determine measures to deal with such risks by either managing, avoiding, mitigating, transferring or accepting them. These working groups shall report their risk assessment and management every six months.

In 2021, the Committee acknowledged the management's risk management activities such as risk prevention measures from the coronavirus disease 2019, measures to relax soaring prices of parts and raw materials, measures to drive and stimulate sales, and compliance with legal requirements, etc.

The Committee expressed an opinion that the Company's risk management system has been adequate and appropriate to avoid any significant impact on the organization.

3. Internal Control and Internal Audit Review

The Audit Committee considered and endorsed the annual audit plan of Internal Audit Control Office which reviewed the internal control systems, according to the organizational structure and business operation in compliance with the laws and regulations relevant to its business.

The Committee considered the operating results to assess adequacy and appropriateness based on the quarterly internal audit report and the year-round overall internal control assessment report to follow-up the improvement actions as recommended from the internal audit report.

The Committee considered and viewed that the Company operated the business with an adequate and efficient internal control system. The management controlled and monitored risks that might cause damage to the Company in the all significant operations, as well as reviewed the practice of anti-bribery, reviewed of conflicts of interest, and trade competition protection which abides by current regulations and internal control standards.

All in all, the Company's operations contain an adequate and efficient internal control system. The management has conducted a review and improvement of the work system to be accurate and comply with the laws, regulations and code of business ethics.

4. Proposal for Appointment of Auditor and Auditor Remuneration for 2022

The Audit Committee considered the nomination of auditors from KPMG Phoomchai Audit Limited, to be appointed as the Company's auditors for the fiscal year 2022, and to determine appropriate auditor remuneration. The auditors are considered from qualifications, the scope of responsibilities, audit work quality in the previous year, and independence in performing audit work, as well as audit knowledge, technique, and outstanding experience in the area.

5. Consideration of Connected Transactions or Transactions with Potential Conflict of Interest

The Audit Committee considered to review and provide opinion on connected transactions that may cause a conflict of interest with the Company. In the fiscal year 2021, the Committee found that the connected transactions and the disclosure of such information are conducted with goodwill to the Company appropriately and reasonably following the criteria of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

6. Audit Committee Meeting

In the fiscal year 2021, the Audit Committee had a total of four meetings, including co-meeting with the management, the external auditors without attendance by the administration. No Committee members were absent from any of such meetings.

The Audit Committee arranged a self-assessment for their performance as the entire Committee for the fiscal year 2021 using the criteria and the best practice of the Stock Exchange of Thailand as the guidelines to ensure compliance with good corporate governance. The assessment result, the earned average score is 4 out of full score of 4 which all criteria points have good average score, reflecting the audit committee's performance of duties according to the Audit Committee Charter and the good corporate governance principles at a well to excellent level.

In conclusion, the Audit Committee performed duties entirely in the scope of duties and responsibilities as prescribed in the Audit Committee Charter, and as assigned by the Board of Directors in order to ensure that the Company could run its business with good corporate governance, efficient management, sufficient and appropriate internal control for business operations, effective risk management, and reliable accounting system and financial report, as well as compliance with the laws, rules and regulations relevant to the Company's business operations.



(Mr. Arthakrit Visudtibhan)

Chairman of Audit Committee

May 13, 2022



บริษัท กัณยงอีเลคทริก จำกัด (มหาชน)
KANG YONG ELECTRIC PUBLIC COMPANY LIMITED



 **บริษัท กันยงอีเลคทริก จำกัด (มหาชน)**
KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

67 Moo 11 Debaratna Rd, Km. 20, Bangchalong,
Bangplee, Samutprakarn 10540

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

E-mail address: information@kye.meap.com