

Kang Yong Electric Public Company Limited

Interim financial statements
for the three-month and nine-month periods ended
31 December 2016

and

Independent auditor's report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Kang Yong Electric Public Company Limited

I have reviewed the accompanying statement of financial position in which the equity method is applied and separate statement of financial position of Kang Yong Electric Public Company Limited as at 31 December 2016; the related statements of comprehensive income for the three-month and nine-month periods ended 31 December 2016, changes in equity and cash flows for the nine-month period ended 31 December 2016; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Orawan Sirirattanawong)
Certified Public Accountant
Registration No. 3757

KPMG Phoomchai Audit Ltd.
Bangkok
8 February 2017

Kang Yong Electric Public Company Limited

Statement of financial position

Assets	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December	31 March	31 December	31 March
		2016 (Unaudited)	2016	2016 (Unaudited)	2016
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		998,736	1,063,853	998,736	1,063,853
Current investments	6	2,500,000	2,200,000	2,500,000	2,200,000
Trade accounts receivable	3, 4	1,090,919	1,272,552	1,090,919	1,272,552
Other accounts receivable	3	479,806	235,801	479,806	235,801
Short-term loans to related party	3	40,336	36,198	40,336	36,198
Inventories		972,932	1,001,699	972,932	1,001,699
Other current assets		3,532	5,039	3,532	5,039
Total current assets		6,086,261	5,815,142	6,086,261	5,815,142
Non-current assets					
Available-for-sale investments	6	9,721	13,666	9,721	13,666
Investment in an associate	5	17,997	17,315	3,000	3,000
Other long-term investments	6	157,362	157,362	157,362	157,362
Investment properties	7	4,189	4,971	4,189	4,971
Property, plant and equipment	8	1,301,203	1,268,108	1,301,203	1,268,108
Deferred tax assets		63,505	70,282	63,505	70,282
Other non-current assets		42,933	29,288	42,933	29,288
Total non-current assets		1,596,910	1,560,992	1,581,913	1,546,677
Total assets		7,683,171	7,376,134	7,668,174	7,361,819

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

Kang Yong Electric Public Company Limited

Statement of financial position

Liabilities and equity	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied		31 December	31 March
		31 December	31 March	31 December	31 March
		2016	2016	2016	2016
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Trade accounts payable	3	790,415	1,078,195	790,415	1,078,195
Other accounts payable	3	333,774	465,434	333,774	465,434
Income tax payable		37,699	12,376	37,699	12,376
Other current liabilities		45,299	15,633	45,299	15,633
Total current liabilities		1,207,187	1,571,638	1,207,187	1,571,638
Non-current liabilities					
Provision for warranties		149,488	184,942	149,488	184,942
Employee benefit obligations		194,588	182,789	194,588	182,789
Provident funds		15,755	15,863	15,755	15,863
Total non-current liabilities		359,831	383,594	359,831	383,594
Total liabilities		1,567,018	1,955,232	1,567,018	1,955,232
Equity					
Share capital					
Authorised share capital		220,000	220,000	220,000	220,000
Issued and paid-up share capital		220,000	220,000	220,000	220,000
Additional paid-in capital					
Premium on ordinary shares		726,100	726,100	726,100	726,100
Retained earnings					
Appropriated					
Legal reserve		22,000	22,000	22,000	22,000
Others		420,000	420,000	420,000	420,000
Unappropriated		4,724,489	4,026,082	4,709,492	4,011,767
Other component of equity		3,564	6,720	3,564	6,720
Total equity		6,116,153	5,420,902	6,101,156	5,406,587
Total liabilities and equity		7,683,171	7,376,134	7,668,174	7,361,819

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

Kang Yong Electric Public Company Limited
Statement of comprehensive income (Unaudited)

		Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		Three-month period ended		Three-month period ended	
		31 December		31 December	
<i>Note</i>		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
<i>Income</i>					
	Revenue from sale of goods				
	and rendering of services	3	1,745,228	1,581,859	1,745,228
	Investment income	3	309,533	263,164	309,533
	Net foreign exchange gain		29,249	1,154	29,249
	Gain on sale of investment property	7	58,580	-	58,580
	Other income	3	9,024	2,520	9,024
	Total income		2,151,614	1,848,697	2,151,614
	<i>Expenses</i>				
	Cost of sale of goods				
	and rendering of services		1,398,725	1,435,575	1,398,725
	Selling expenses	3	78,844	70,570	78,844
	Administrative expenses	3	160,257	168,578	160,257
	Total expenses		1,637,826	1,674,723	1,637,826
	Share of loss of an associate	5	(489)	(1,006)	-
	Profit before income tax expense		513,299	172,968	513,788
	Income tax benefit (expense)		(43,825)	14,970	(43,825)
	Profit for the period	10	469,474	187,938	469,963
Other comprehensive income					
<i>Item that is or may be reclassified to profit or loss</i>					
	Net change in fair value of				
	available-for-sale investments		(392)	(575)	(392)
	Income tax on other comprehensive income		78	115	78
	Other comprehensive income for the period, net of income tax		(314)	(460)	(314)
	Total comprehensive income for the period		469,160	187,478	469,649
	Basic earnings per share (in Baht)	10	21.34	8.54	21.36

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

Kang Yong Electric Public Company Limited
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Income					
Revenue from sale of goods					
and rendering of services	3	6,481,459	6,279,974	6,481,459	6,279,974
Investment income	3	703,038	486,677	703,038	487,677
Net foreign exchange gain		22,352	41,870	22,352	41,870
Gain on sale of investment property	7	58,580	-	58,580	-
Other income	3	20,151	14,243	20,151	14,243
Total income		7,285,580	6,822,764	7,285,580	6,823,764
Expenses					
Cost of sale of goods					
and rendering of services		5,243,137	5,479,395	5,243,137	5,479,395
Selling expenses	3	277,313	267,523	277,313	267,523
Administrative expenses	3	529,970	486,254	529,970	486,254
Total expenses		6,050,420	6,233,172	6,050,420	6,233,172
Share of profit (loss) of an associate	5	682	(2,832)	-	-
Profit before income tax expense		1,235,842	586,760	1,235,160	590,592
Income tax expense		(116,355)	(31,853)	(116,355)	(31,853)
Profit for the period	10	1,119,487	554,907	1,118,805	558,739
Other comprehensive income					
<i>Item that is or may be reclassified to profit or loss</i>					
Net change in fair value of					
available-for-sale investments		(3,945)	2,805	(3,945)	2,805
Income tax on other comprehensive income		789	(561)	789	(561)
Other comprehensive income for the period, net of income tax		(3,156)	2,244	(3,156)	2,244
Total comprehensive income for the period		1,116,331	557,151	1,115,649	560,983
Basic earnings per share (in Baht)	10	50.89	25.22	50.85	25.40

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

	Note	Financial statements in which the equity method is applied						Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Other component of equity	
				Legal reserve	Other reserve	Unappropriated	Fair value changes in available-for-sale investments	
<i>(in thousand Baht)</i>								
Nine-month period ended 31 December 2015								
Balance at 1 April 2015		220,000	726,100	22,000	420,000	3,653,215	4,853	5,046,168
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	11	-	-	-	-	(463,540)	-	(463,540)
Total distributions to owners of the Company		-	-	-	-	(463,540)	-	(463,540)
Comprehensive income for the period								
Profit		-	-	-	-	554,907	-	554,907
Other comprehensive income		-	-	-	-	-	2,244	2,244
Total comprehensive income for the period		-	-	-	-	554,907	2,244	557,151
Balance at 31 December 2015		220,000	726,100	22,000	420,000	3,744,582	7,097	5,139,779

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

Financial statements in which the equity method is applied

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Other component of equity	Total equity
				Legal reserve	Other reserve	Unappropriated	Fair value changes in available-for-sale investments	
<i>(in thousand Baht)</i>								
Nine-month period ended 31 December 2016								
Balance at 1 April 2016		220,000	726,100	22,000	420,000	4,026,082	6,720	5,420,902
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	11	-	-	-	-	(421,080)	-	(421,080)
Total distributions to owners of the Company		-	-	-	-	(421,080)	-	(421,080)
Comprehensive income for the period								
Profit		-	-	-	-	1,119,487	-	1,119,487
Other comprehensive income		-	-	-	-	-	(3,156)	(3,156)
Total comprehensive income for the period		-	-	-	-	1,119,487	(3,156)	1,116,331
Balance at 31 December 2016		220,000	726,100	22,000	420,000	4,724,489	3,564	6,116,153

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

	Separate financial statements						Other component of equity	Total equity	
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings					Fair value changes in available-for-sale investments
				Legal reserve	Other reserve	Unappropriated			
<i>(in thousand Baht)</i>									
Nine-month period ended 31 December 2015									
Balance at 1 April 2015		220,000	726,100	22,000	420,000	3,637,631	4,853	5,030,584	
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
Dividends to owners of the Company	11	-	-	-	-	(463,540)	-	(463,540)	
Total distributions to owners of the Company		-	-	-	-	(463,540)	-	(463,540)	
Comprehensive income for the period									
Profit		-	-	-	-	558,739	-	558,739	
Other comprehensive income		-	-	-	-	-	2,244	2,244	
Total comprehensive income for the period		-	-	-	-	558,739	2,244	560,983	
Balance at 31 December 2015		220,000	726,100	22,000	420,000	3,732,830	7,097	5,128,027	

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

	Separate financial statements						Other component of equity	Total equity	
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings					Fair value changes in available-for-sale investments
				Legal reserve	Other reserve	Unappropriated			
<i>(in thousand Baht)</i>									
Nine-month period ended 31 December 2016									
Balance at 1 April 2016		220,000	726,100	22,000	420,000	4,011,767	6,720	5,406,587	
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
Dividends to owners of the Company	11	-	-	-	-	(421,080)	-	(421,080)	
Total distributions to owners of the Company		-	-	-	-	(421,080)	-	(421,080)	
Comprehensive income for the period									
Profit		-	-	-	-	1,118,805	-	1,118,805	
Other comprehensive income		-	-	-	-	-	(3,156)	(3,156)	
Total comprehensive income for the period		-	-	-	-	1,118,805	(3,156)	1,115,649	
Balance at 31 December 2016		220,000	726,100	22,000	420,000	4,709,492	3,564	6,101,156	

Kang Yong Electric Public Company Limited
Statement of cash flows (Unaudited)

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied		Nine-month period ended	
	Nine-month period ended		Nine-month period ended	
	31 December		31 December	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	1,119,487	554,907	1,118,805	558,739
<i>Adjustments for</i>				
Depreciation	242,957	214,383	242,957	214,383
Amortisation	2,698	1,807	2,698	1,807
Investment income	(703,038)	(486,677)	(703,038)	(487,677)
Employee benefit expenses	12,388	11,105	12,388	11,105
Unrealised gain on exchange rate	(10,649)	(717)	(10,649)	(717)
Provision for decline in value of inventories (reversal)	7,940	(13,257)	7,940	(13,257)
Provision for warranties	21,146	11,391	21,146	11,391
Share of (profit) loss of an associate	(682)	2,832	-	-
Gain on sale of investment property	(58,580)	-	(58,580)	-
(Gain) loss on disposal of property and equipment	735	(228)	735	(228)
Income tax expense	116,355	31,853	116,355	31,853
	<u>750,757</u>	<u>327,399</u>	<u>750,757</u>	<u>327,399</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	189,730	283,345	189,730	283,345
Other accounts receivable	19,367	(11,344)	19,367	(11,344)
Inventories	20,932	93,324	20,932	93,324
Other current assets	1,507	3,020	1,507	3,020
Other non-current assets	4,514	(910)	4,514	(910)
Trade accounts payable	(287,946)	(170,952)	(287,946)	(170,952)
Other accounts payable	(163,667)	(112,203)	(163,667)	(112,203)
Other current liabilities	29,666	35,040	29,666	35,040
Warranties paid	(56,600)	(57,880)	(56,600)	(57,880)
Employee benefits paid	(589)	(195)	(589)	(195)
Provident fund paid	(108)	(186)	(108)	(186)
Cash generated from operating activities	507,563	388,458	507,563	388,458
Income tax paid	(83,466)	(53,884)	(83,466)	(53,884)
Net cash from operating activities	<u>424,097</u>	<u>334,574</u>	<u>424,097</u>	<u>334,574</u>

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

Kang Yong Electric Public Company Limited
Statement of cash flows (Unaudited)

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied		Nine-month period ended	
	Nine-month period ended		Nine-month period ended	
	31 December		31 December	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	42,434	39,769	42,434	39,769
Dividends received	384,524	343,030	384,524	343,030
Rental received	12,708	10,884	12,708	10,884
Short-term loans to related party	(410,346)	(368,910)	(410,346)	(368,910)
Cash proceeds from short-term loans to related party	406,208	379,352	406,208	379,352
Purchases of property and equipment	(242,764)	(282,719)	(242,764)	(282,719)
Sale of investment property	59,362	-	59,362	-
Sale of property and equipment	597	657	597	657
Purchase of computer software	(20,857)	(2,272)	(20,857)	(2,272)
Increase in current investments	(300,000)	(120,000)	(300,000)	(120,000)
Net cash used in investing activities	(68,134)	(209)	(68,134)	(209)
<i>Cash flows from financing activities</i>				
Dividend paid	(421,080)	(463,540)	(421,080)	(463,540)
Net cash used in financing activities	(421,080)	(463,540)	(421,080)	(463,540)
Net decrease in cash and cash equivalents	(65,117)	(129,175)	(65,117)	(129,175)
Cash and cash equivalents at 1 April	1,063,853	808,462	1,063,853	808,462
Cash and cash equivalents at 31 December	998,736	679,287	998,736	679,287
<i>Supplemental disclosure of cash flows information</i>				
Property and equipment purchased during the period are detailed as follows:				
Property and equipment purchased during the period	(277,489)	(253,369)	(277,489)	(253,369)
Increase (decrease) in payables on purchases of property and equipment	34,725	(29,350)	34,725	(29,350)
Net purchase of property and equipment paid by cash	(242,764)	(282,719)	(242,764)	(282,719)

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

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

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Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai 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 directors on 8 February 2017.

1 General information

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

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

The parent company during the financial period was Mitsubishi Electric Corporation, incorporated in Japan (40.81% shareholding).

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

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 March 2016. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 March 2016.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 March 2016 except that the Company has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 April 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Company.

(b) Functional and presentation currency

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

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

(c) Use of estimates and judgements

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

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 March 2016.

Estimates

Provision for warranties

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

Measurement of defined benefit obligations

The calculation of the defined benefit obligations is sensitive to the assumptions on discount rates and salary increasing rates as set out.

Measurement of deferred tax

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.

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Parent</i>		
Mitsubishi Electric Corporation	Japan	Parent, 40.81% shareholding
<i>Associate</i>		
Smile Super Express Co., Ltd.	Thailand	Associate, 33.33% shareholding

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel		
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
Other related parties		
Thai Refrigeration Components Co., Ltd.	Thailand	Common director
Kulthorn Kirby Public Company Limited	Thailand	Common director
Mitsubishi Electric Kang Yong Watana Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Siam Compressor Industry Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Life-Network Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Engineering Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Home Appliance Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Taiwan Co., Ltd.	Taiwan	A subsidiary of the Company's parent
Mitsubishi Electric Asia Pte. Ltd.	Singapore	A subsidiary of the Company's parent
Mitsubishi Electric Australia Pty. Ltd.	Australia	A subsidiary of the Company's parent
Mitsubishi Electric Ryoden Air - Conditioning & Visual Information Systems (Hong Kong) Ltd.	Hong Kong	A subsidiary of the Company's parent
Mitsubishi Electric Sales Malaysia Sdn.	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
Ryoden International Co., Ltd.	Hong Kong	A subsidiary of the Company's parent
Melco Thai Capital Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Information Network	Japan	A subsidiary of the Company's parent
Melco Travel Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric (Hong Kong) Ltd.	Hong Kong	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
Mitsubishi Electric India Pvt. Ltd.	India	A subsidiary of the Company's parent
International Elevator & Equipment Inc.	Philippines	A subsidiary of the Company's parent
PT. Mitsubishi Electric Indonesia	Indonesia	A subsidiary of the Company's parent
Mitsubishi Electric Europe B.V. (Moscow Branch)	Russia	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
K.Y. Intertrade Co., Ltd.	Thailand	Common director

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

- 1 Sales prices policy
 - Domestic sales prices are determined at weighted average of standard cost plus margin for all products.
 - Export sales prices are determined at resale price method which are dependent on market and competitive conditions of the particular country.
- 2 Purchase policy of raw materials are prices agreed between the parties.
- 3 Purchase policy of property, plant and equipment are prices agreed between the parties.
- 4 Royalty fee is payable annually at a proportion of sales.
- 5 Product development fee is payable based on actual amount.
- 6 Technical assistance fee chargeable under technical service agreement with 5 years term and automatic rollover period of 5 years.
- 7 The Company entered into a rental agreement with an associate. The rental fee is based on the market value.
- 8 The Company has inventory management service fee with an associate. The service fee is based on the area used.
- 9 The Company entered into an agreement with various companies in the Mitsubishi Group, to manage total funding of the Group by the use of pooling accounts. The Company may earn or pay interest, which is based on the surplus funds or the funds used, at the interest rate of average deposit and loan interest rates offered by the bank.
- 10 Interest rates on short-term loans from or to related parties are determined by based on the interest rate of the bank.
- 11 Product warranty expense is based on actual amount claims.
- 12 Key management personnel compensation is defined by the Nomination and Remuneration Committee and the Company’s policy.

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
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Significant transactions for the three-month periods ended 31 December 2016 and 2015 with related parties were as follows:

<i>Three-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	718,983	572,445	718,983	572,445
Other income	65	81	65	81
Royalty fee	38,544	34,681	38,544	34,681
Product development fee	64,016	68,250	64,016	68,250
Product warranties paid	16,546	16,812	16,546	16,812
Technical assistance fee	3,479	5,252	3,479	5,252
Other selling and administrative expenses	233	95	233	95
Associate				
Revenue from sale of goods	43	23	43	23
Rental income	4,295	3,617	4,295	3,617
Other income	165	178	165	178
Inventory management service fee	16,885	17,221	16,885	17,221
Other selling and administrative expenses	1,508	1,850	1,508	1,850
Key management personnel				
Key management personnel compensation				
Short-term benefits	14,224	13,991	14,224	13,991
Post-employment benefits	237	227	237	227
Other long-term benefits	2	2	2	2
Total key management personnel compensation	<u>14,463</u>	<u>14,220</u>	<u>14,463</u>	<u>14,220</u>
Other related parties				
Revenue from sale of goods	1,024,697	940,265	1,024,697	940,265
Dividend income	289,567	243,322	289,567	243,322
Other income	4,931	158	4,931	158
Purchase of raw material	259,422	264,559	259,422	264,559
Purchase of equipment	1,020	-	1,020	-
Product warranties paid	1,186	3,147	1,186	3,147
Other selling and administrative expenses	14,586	17,642	14,586	17,642

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Significant transactions for the nine-month periods ended 31 December 2016 and 2015 with related parties were as follows:

<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	2,641,660	2,459,733	2,641,660	2,459,733
Other income	152	154	152	154
Purchase of equipment	-	126	-	126
Royalty fee	144,307	139,696	144,307	139,696
Product development fee	228,945	199,436	228,945	199,436
Product warranties paid	52,360	52,549	52,360	52,549
Technical assistance fee	12,891	15,507	12,891	15,507
Other selling and administrative expenses	3,349	2,796	3,349	2,796
Associate				
Revenue from sale of goods	89	117	89	117
Rental income	12,883	10,849	12,883	10,849
Dividend income	-	-	-	1,000
Other income	552	585	552	585
Inventory management service fee	58,488	55,009	58,488	55,009
Other selling and administrative expenses	5,148	5,887	5,148	5,887
Key management personnel				
Key management personnel compensation				
Short-term benefits	49,731	49,671	49,731	49,671
Post-employment benefits	712	680	712	680
Other long-term benefits	7	7	7	7
Total key management personnel compensation	<u>50,450</u>	<u>50,358</u>	<u>50,450</u>	<u>50,358</u>
Other related parties				
Revenue from sale of goods	3,835,586	3,617,868	3,835,586	3,617,868
Dividend income	645,255	425,413	645,255	425,413
Other income	5,152	807	5,152	807
Purchase of raw material	848,443	879,039	848,443	879,039
Purchase of equipment	4,305	139	4,305	139
Product warranties paid	3,653	4,312	3,653	4,312
Other selling and administrative expenses	43,906	47,424	43,906	47,424

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

Balances as at 31 December 2016 and 31 March 2016 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2016	31 March 2016
	<i>(in thousand Baht)</i>	
Parent		
Mitsubishi Electric Corporation	313,796	330,664
Associate		
Smile Super Express Co., Ltd.	16	-
Other related parties		
Mitsubishi Electric Kang Yong Watana Co., Ltd.	253,758	456,452
Mitsubishi Electric Vietnam Company Limited	184,537	190,604
Mitsubishi Electric Asia Pte. Ltd.	117,673	12,465
Mitsubishi Electric Australia Pty. Ltd.	85,735	72,565
Mitsubishi Electric (Hong Kong) Ltd.	48,179	42,465
PT. Mitsubishi Electric Indonesia	41,615	34,199
Mitsubishi Electric Sales Malaysia Sdn.	32,555	28,580
Mitsubishi Electric (Russia) LLC	8,230	14,209
Mitsubishi Electric Taiwan Co., Ltd.	2,721	-
Mitsubishi Electric Trading Corp.	977	-
Mitsubishi Electric (Malaysia) Sdn. Bhd	832	1,174
Mitsubishi Electric Life-Network Co., Ltd.	-	45,317
Others	142	820
	<u>776,954</u>	<u>898,850</u>
Total	<u>1,090,766</u>	<u>1,229,514</u>
	2016	2015
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expenses for the three-month periods ended 31 December	<u>-</u>	<u>-</u>
nine-month periods ended 31 December	<u>-</u>	<u>-</u>

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

<i>Other accounts receivable - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2016	31 March 2016
	<i>(in thousand Baht)</i>	
<i>Accrued dividend income</i>		
Other related parties		
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	399,576	141,396
Siam Compressor Industry Co., Ltd.	14,755	12,189
	<u>414,331</u>	<u>153,585</u>
Others		
Parent		
Mitsubishi Electric Corporation	-	141
Associate		
Smile Super Express Co., Ltd.	1,492	1,302
Other related parties		
Melco Thai Capital Co., Ltd.	33	26
	<u>1,525</u>	<u>1,469</u>
Total	<u>415,856</u>	<u>155,054</u>

<i>Short-term loans to related party</i>	Financial statements in which the equity method is applied and separate financial statements			
	31 December 2016	31 March 2016	31 December 2016	31 March 2016
	<i>Interest rate</i>		<i>(in thousand Baht)</i>	
	<i>(% per annum)</i>			
Other related party				
Melco Thai Capital Co., Ltd.	0.80	1.40	<u>40,336</u>	<u>36,198</u>

Movements during the nine-month periods ended 31 December 2016 and 2015 of short-term loans to related party were as follows:

<i>Short-term loans to related party</i>	Financial statements in which the equity method is applied and separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
Other related party		
At 1 April	36,198	59,808
Increase	410,346	368,910
Decrease	(406,208)	(379,352)
At 31 December	<u>40,336</u>	<u>49,366</u>

Kang Yong Electric Public Company Limited
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Trade accounts payable - related parties

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

31 December 31 March
2016 2016

(in thousand Baht)

Other related parties

Setsuyo Astec Corporation	34,200	48,934
Kulthorn Kirby Public Company Limited	30,444	45,375
Melco Trading (Thailand) Co., Ltd.	20,539	16,845
Setsuyo Astec (Thailand) Co., Ltd.	14,677	19,806
Mitsubishi Electric Asia Pte. Ltd.	13,373	19,418
Mitsubishi Electric Trading Corp.	6,557	8,770
Thai Refrigeration Components Co., Ltd.	976	1,423
Mitsubishi Electric & Electronic (Shanghai) Co., Ltd.	548	477
Others	136	129
Total	121,450	161,177

Other accounts payable - related parties

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

31 December 31 March
2016 2016

(in thousand Baht)

Parent

Mitsubishi Electric Corporation	244,757	293,671
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Associate

Smile Super Express Co., Ltd.	7,442	13,440
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Other related parties

Mitsubishi Electric Australia Pty. Ltd.	3,659	1,522
Mitsubishi Electric Trading Corp.	1,217	1,307
Melco Logistics (Thailand) Co., Ltd.	1,157	-
K.G.M. Services Co., Ltd.	155	161
Mitsubishi Electric Vietnam Company Limited	18	1,840
Mitsubishi Electric Sales Malaysia Sdn.	16	14,078
PT. Mitsubishi Electric Indonesia	-	4,702
Mitsubishi Electric Taiwan Co., Ltd.	-	324
Others	412	757
	6,634	24,691

Total

258,833 331,802

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
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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 fee, development fee and technical assistance fee computed based on agreed formula to MELCO. The term of the agreement was for a period of five years and is automatically extended for a successive period of five years each unless either party notifies in writing to the other party any intention of termination at least six months prior to expiration of the agreement.

Building rental agreement

The Company entered into a building rental agreement for its warehouse for finished goods with Smile Super Express Co., Ltd. for a period of two years with rental rate as specified in the agreement. This agreement is renewed by either party notification in writing to the other party at least sixty days before expiration of this agreement. In July 2015, the Company notified to renew such agreement for a period of two years expiring on 31 July 2017. In March 2016, the counter parties agreed to amend rental rate which was effective from April 2016.

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) 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.

4 Trade accounts receivable

		Financial statements in which the equity method is applied and separate financial statements	
	<i>Note</i>	31 December 2016	31 March 2016
		<i>(in thousand Baht)</i>	
Related parties	3	1,090,766	1,229,514
Other parties		153	43,038
Total		<u>1,090,919</u>	<u>1,272,552</u>
		2016	2015
		<i>(in thousand Baht)</i>	
Bad and doubtful debts expenses for the three-month periods ended 31 December		<u>-</u>	<u>-</u>
nine-month periods ended 31 December		<u>-</u>	<u>-</u>

Kang Yong Electric Public Company Limited
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Aging analyses for trade accounts receivable were as follows:

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2016	31 March 2016
	<i>(in thousand Baht)</i>	
Related parties		
Within credit terms	1,011,376	1,210,469
Overdue		
Less than 3 months	79,390	19,045
	<u>1,090,766</u>	<u>1,229,514</u>
Other parties		
Within credit terms	153	43,038
	<u>153</u>	<u>43,038</u>
Total	<u><u>1,090,919</u></u>	<u><u>1,272,552</u></u>

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

5 Investment in an associate

<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 April	17,315	18,584	3,000	3,000
Share of profit (loss) of investment - equity method	682	(2,832)	-	-
Dividend income	-	(1,000)	-	-
At 31 December	<u>17,997</u>	<u>14,752</u>	<u>3,000</u>	<u>3,000</u>

As at 31 December 2016 and 31 March 2016, the financial statements in which the equity method is applied included the investment in shares of Smile Super Express Co., Ltd. accounted for using the equity method, which was computed based on the financial statements reviewed/audited by another auditor.

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

Investment in an associate as at 31 December 2016 and 31 March 2016 and dividend income from the investment for the nine-month periods ended 31 December 2016 and 2015 were as follows:

Financial statements in which the equity method is applied											
Investee	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month periods ended	
		31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 December 2015
		(%)		<i>(in thousand Baht)</i>							
Smile Super Express Co., Ltd.	Logistic	33.33	33.33	9,000	9,000	<u>3,000</u>	<u>3,000</u>	<u>17,997</u>	<u>17,315</u>	-	<u>1,000</u>

Separate financial statements											
Investee	Type of business	Ownership interest		Paid-up capital		Cost		Dividend income for the nine-month periods ended			
		31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 December 2015		
		(%)		<i>(in thousand Baht)</i>							
Smile Super Express Co., Ltd.	Logistic	33.33	33.33	9,000	9,000	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>1,000</u>		

The Company's associate is not publicly listed and consequently does not have published price quotation.

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6 Other investments

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2016	31 March 2016
	<i>(in thousand Baht)</i>	
<i>Current investments</i>		
Short-term deposits at financial institutions	2,500,000	2,200,000
	<u>2,500,000</u>	<u>2,200,000</u>
<i>Other long-term investments</i>		
Equity securities available-for-sale	9,721	13,666
Other non-marketable equity securities	157,362	157,362
	<u>167,083</u>	<u>171,028</u>
Total	<u><u>2,667,083</u></u>	<u><u>2,371,028</u></u>

Equity securities available-for-sale as at 31 December 2016 and 31 March 2016 were as follows:

	Financial statements in which the equity method is applied and separate financial statements			
	31 December 2016		31 March 2016	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
<i>Marketable securities - Available-for-sale securities</i>				
Kulthorn Kirby Public Co., Ltd.	4,965	9,269	4,965	13,208
City Sports and Recreation Public Co., Ltd.	300	452	300	458
	<u>5,265</u>	<u>9,721</u>	<u>5,265</u>	<u>13,666</u>
Add revaluation	4,456	-	8,401	-
Total	<u><u>9,721</u></u>	<u><u>9,721</u></u>	<u><u>13,666</u></u>	<u><u>13,666</u></u>

Kang Yong Electric Public Company Limited
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Other non-marketable equity securities as at 31 December 2016 and 31 March 2016, and dividend income from those investments for the nine-month periods ended 31 December 2016 and 2015 were as follows:

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

Investee	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
		31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 March 2016	31 December 2016	31 December 2015
		(%)						(in thousand Baht)					
Thai Refrigeration Components Co., Ltd.	Manufacturing of roll-bond evaporators	10.57	10.57	50,000	50,000	5,286	5,286	-	-	5,286	5,286	264	264
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	Manufacturing of air conditioners	10.00	10.00	1,200,000	1,200,000	120,000	120,000	-	-	120,000	120,000	607,524	406,224
Siam Compressor Industry Co., Ltd.	Manufacturing of compressors for air conditioners	2.00	2.00	1,603,800	1,603,800	32,076	32,076	-	-	32,076	32,076	36,887	18,925
Total						157,362	157,362	-	-	157,362	157,362	644,675	425,413

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7 Investment properties

Investment properties comprise land and buildings that are leased to an associate and plots of land that are not used in operations. Fair value of land and buildings that are leased to its associate was computed by the Company's management under the Discounted Cash Flow Analysis method by using key assumptions of discount rates and net cash inflow from rental income including the review of the estimated useful lives of buildings that are leased to its associate. Fair value of land not used in operations was considered by appraisal value of Treasury Department. As at 31 December 2016, fair value of land and buildings that are leased to its associate and land not used in operations totaled approximately Baht 83.9 million (31 March 2016: Baht 137.4 million). In December 2016, partial plots of land that is not used in operations with a cost of Baht 0.78 million was sold for a price of Baht 64.74 million. A gain on sale net of related expenses of Baht 58.58 million was recorded.

8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 31 December 2016 and 2015 were as follows:

<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied and separate financial statements			
	2016		2015	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Land and improvements	-	942	-	-
Buildings and improvements	6,758	-	23,076	-
Machinery and equipment	24,278	133	40,421	371
Factory equipment	139,802	229	134,960	42
Office equipment	24,153	133	5,626	37
Vehicles	104	-	-	-
Assets under construction and installation	199,178	116,784	208,511	159,225
Total	394,273	118,221	412,594	159,675

The Company's land which has cost approximately Baht 9.30 million is partially under land servitude.

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

9 Segment information

The Company's operations mainly involve business segments in product goods in Thailand and sale in both local and overseas market (Japan and other countries). Financial information of the Company by operating segments for the three-month and nine-month periods ended 31 December 2016 and 2015 was as follows:

	Financial statements in which the equity method is applied							
	Domestic		Overseas				Total	
	2016	2015	Japan		Others		2016	2015
<i>Three-month period ended 31 December</i>			2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>							
Revenue from sale of goods and rendering of services	559,682	528,459	722,021	574,815	463,525	478,585	1,745,228	1,581,859
Segment profit (loss)	89,934	55,048	149,309	(12,208)	48,612	51,426	287,855	94,266
Unallocated expenses							(180,453)	(187,130)
Investment income							309,533	263,164
Net foreign exchange gain							29,249	1,154
Gain on sale of investment property							58,580	-
Other income							9,024	2,520
Share of loss of an associate							(489)	(1,006)
Profit before income tax expense							513,299	172,968
Income tax benefit (expense)							(43,825)	14,970
Profit for the period							469,474	187,938

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Notes to the interim financial statements

For the three-month and nine-month periods ended 31 December 2016 (Unaudited)

<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied								Total	
	Domestic		Overseas				2016			
	2016	2015	Japan		Others		2016	2015	2016	2015
			2016	2015	2016	2015	2016	2015	2016	2015
			<i>(in thousand Baht)</i>							
Revenue from sale of goods and rendering of services	2,257,351	2,131,508	2,766,220	2,557,690	1,457,888	1,590,776	6,481,459	6,279,974		
Segment profit	378,406	317,059	480,705	51,204	169,812	222,705	1,028,923	590,968		
Unallocated expenses							(597,884)	(544,166)		
Investment income							703,038	486,677		
Net foreign exchange gain							22,352	41,870		
Gain on sale of investment property							58,580	-		
Other income							20,151	14,243		
Share of profit (loss) of an associate							682	(2,832)		
Profit before income tax expense							1,235,842	586,760		
Income tax expense							(116,355)	(31,853)		
Profit for the period							1,119,487	554,907		
							31 December 2016	31 March 2016		
							<i>(in thousand Baht)</i>			
Property, plant and equipment							1,301,203	1,268,108		

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10 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 31 December 2016 and 2015 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company (Basic)	<u>469,474</u>	<u>187,938</u>	<u>469,963</u>	<u>188,944</u>
Number of ordinary shares outstanding	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
Earnings per share (Basic) (in Baht)	<u>21.34</u>	<u>8.54</u>	<u>21.36</u>	<u>8.59</u>

<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company (Basic)	<u>1,119,487</u>	<u>554,907</u>	<u>1,118,805</u>	<u>558,739</u>
Number of ordinary shares outstanding	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
Earnings per share (Basic) (in Baht)	<u>50.89</u>	<u>25.22</u>	<u>50.85</u>	<u>25.40</u>

11 Dividends

At the annual general meeting of the shareholders of the Company held on 27 July 2016, the shareholders approved the appropriation of dividend of Baht 19.14 per share, amounting of Baht 421.1 million. The dividend was paid to the shareholders in August 2016.

At the annual general meeting of the shareholders of the Company held on 24 July 2015, the shareholders approved the appropriation of dividend of Baht 21.07 per share, amounting to Baht 463.5 million. The dividend was paid to the shareholders in August 2015.

12 Financial instruments

Carrying amounts and fair values

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

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	Carrying amount	Financial statements in which the equity method is applied and separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2016					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	9,721	9,269	-	452	9,721
31 March 2016					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	13,666	13,208	-	458	13,666

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company determines Level 3 fair value for equity securities – available-for-sale based on the most recent quoted price in the Stock Exchange of Thailand.

13 Commitments with non-related parties

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2016	31 March 2016
<i>(in thousand Baht)</i>		
<i>Capital commitments</i>		
<i>Contracted but not provided for</i>		
Acquisition of plant and equipment	35,365	20,377
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within one year	6,674	6,149
After one year but within five years	7,412	7,535
Total	14,086	13,684

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The Company entered into several long-term lease agreements covering vehicles and have four and five year terms which will expire in various periods up to the year 2021. In consideration thereof, the Company is committed to pay rental fee at various annual rental rates as specified in the agreements.

14 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new TFRS has been issued but is not yet effective and has not been applied in preparing these interim financial statements. This new TFRS that may be relevant to the Company's operations, which become affective for annual financial periods beginning on or after 1 January 2017, is set out below. The Company does not plan to adopt this TFRS early.

TFRS	Topic
FAP Announcement no. 5/2559	Accounting Guidance for derecognition of financial assets and financial liabilities

sThe Company has made a preliminary assessment of the potential initial impact on the Company's financial statements of this new TFRS and expects that there will be no material impact on the financial statements in the period of initial application.