

**Kang Yong Electric Public Company Limited**

Condensed interim financial statements  
for the three-month period ended

30 June 2019

and

Independent auditor's review report

## **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 30 June 2019; the related statements of comprehensive income, changes in equity and cash flows for the three-month period ended 30 June 2019; 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".

(Sophit Prompol)  
Certified Public Accountant  
Registration No. 10042

KPMG Phoomchai Audit Ltd.  
Bangkok  
8 August 2019

# Kang Yong Electric Public Company Limited

## Statement of financial position

		Financial statements in which the equity method is applied		Separate financial statements	
		30 June	31 March	30 June	31 March
Assets	Note	2019	2019	2019	2019
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		881,724	789,953	881,724	789,953
Current investments		2,100,000	2,100,000	2,100,000	2,100,000
Trade accounts receivable	3,5	911,755	1,320,573	911,755	1,320,573
Value added tax refundable		32,597	32,644	32,597	32,644
Other receivables	3	33,193	24,973	33,193	24,973
Short-term loan to related party	3	25,243	23,222	25,243	23,222
Inventories		912,607	896,613	912,607	896,613
Other current assets		6,899	7,469	6,899	7,469
<b>Total current assets</b>		<b>4,904,018</b>	<b>5,195,447</b>	<b>4,904,018</b>	<b>5,195,447</b>
<b>Non-current assets</b>					
Available-for-sale investments	4	4,850	5,113	4,850	5,113
Investment in associate	6	18,059	19,546	3,000	3,000
Other long-term investments	4	157,362	157,362	157,362	157,362
Investment properties		4,189	4,189	4,189	4,189
Property, plant and equipment	7	1,417,697	1,421,738	1,417,697	1,421,738
Intangible assets		39,075	41,174	39,075	41,174
Deferred tax assets		76,713	76,009	76,713	76,009
Other non-current assets		25,318	25,418	25,318	25,418
<b>Total non-current assets</b>		<b>1,743,263</b>	<b>1,750,549</b>	<b>1,728,204</b>	<b>1,734,003</b>
<b>Total assets</b>		<b>6,647,281</b>	<b>6,945,996</b>	<b>6,632,222</b>	<b>6,929,450</b>

The accompanying notes form an integral part of the interim 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		30 June	31 March
Liabilities and equity		30 June	31 March	30 June	31 March
		2019	2019	2019	2019
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b>Current liabilities</b>					
Trade accounts payable		658,343	879,201	658,343	879,201
Other payables		329,481	480,769	329,481	480,769
Other current liabilities		22,428	14,396	22,428	14,396
<b>Total current liabilities</b>		<b>1,010,252</b>	<b>1,374,366</b>	<b>1,010,252</b>	<b>1,374,366</b>
<b>Non-current liabilities</b>					
Provision for warranties		105,030	103,563	105,030	103,563
Non-current provisions for employee benefits	8	301,324	237,347	301,324	237,347
Provident funds		13,320	13,320	13,320	13,320
<b>Total non-current liabilities</b>		<b>419,674</b>	<b>354,230</b>	<b>419,674</b>	<b>354,230</b>
<b>Total liabilities</b>		<b>1,429,926</b>	<b>1,728,596</b>	<b>1,429,926</b>	<b>1,728,596</b>
<b>Equity</b>					
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
Treasury shares		(970,420)	(970,420)	(970,420)	(970,420)
Share premium:					
Share 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
Treasury shares reserve		970,420	970,420	970,420	970,420
Other reserve		420,000	420,000	420,000	420,000
Unappropriated		3,829,587	3,829,422	3,814,528	3,812,876
Other component of equity		(332)	(122)	(332)	(122)
<b>Total equity</b>		<b>5,217,355</b>	<b>5,217,400</b>	<b>5,202,296</b>	<b>5,200,854</b>
<b>Total liabilities and equity</b>		<b>6,647,281</b>	<b>6,945,996</b>	<b>6,632,222</b>	<b>6,929,450</b>

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

# Kang Yong Electric Public Company Limited

## Statement of comprehensive income (Unaudited)

<b>Financial statements</b>					
<b>in which the equity method</b>					
<b>is applied</b>					
<b>Separate financial statements</b>					
		Three-month period ended 30 June		Three-month period ended 30 June	
	Note	2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenue from sales of goods and rendering of services	3, 9	1,866,346	1,986,789	1,866,346	1,986,789
Investment income	3	15,920	18,722	15,920	18,722
Net foreign exchange gain		-	27,702	-	27,702
Other income	3	17,759	9,879	17,759	9,879
<b>Total revenue</b>		<b>1,900,025</b>	<b>2,043,092</b>	<b>1,900,025</b>	<b>2,043,092</b>
<b>Expenses</b>					
Cost of sale of goods and rendering of services	3	1,620,964	1,738,249	1,620,964	1,738,249
Distribution costs	3	93,423	88,711	93,423	88,711
Administrative expenses	3	175,586	176,147	175,586	176,147
Net foreign exchange loss		9,051	-	9,051	-
<b>Total expenses</b>		<b>1,899,024</b>	<b>2,003,107</b>	<b>1,899,024</b>	<b>2,003,107</b>
Share of loss of associate	6	(1,487)	(1,022)	-	-
<b>Profit (loss) before income tax expense</b>		<b>(486)</b>	<b>38,963</b>	<b>1,001</b>	<b>39,985</b>
Tax income (expense)	10	651	(6,724)	651	(6,724)
<b>Profit for the period</b>		<b>165</b>	<b>32,239</b>	<b>1,652</b>	<b>33,261</b>
<b>Other comprehensive income</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Losses on remeasuring available-for-sale investments	4	(263)	(926)	(263)	(926)
Income tax relating to item that will be reclassified subsequently to profit or loss		53	185	53	185
<b>Other comprehensive income (expense) for the period, net of tax</b>		<b>(210)</b>	<b>(741)</b>	<b>(210)</b>	<b>(741)</b>
<b>Total comprehensive income (expense) for the period</b>		<b>(45)</b>	<b>31,498</b>	<b>1,442</b>	<b>32,520</b>
<b>Basic earnings per share (in Baht)</b>	11	<b>0.01</b>	<b>1.47</b>	<b>0.08</b>	<b>1.51</b>

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

**Kang Yong Electric Public Company Limited**

**Statement of changes in equity (Unaudited)**

	Financial statements in which the equity method is applied						Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			Other component of equity	
			Legal reserve	Other reserve	Unappropriated	Available-for-sale investments	
<i>(in thousand Baht)</i>							
<b>Three month period ended 30 June 2018</b>							
<b>Balance at 1 April 2018</b>	<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,985,235</b>	<b>1,967</b>	<b>6,375,302</b>
<b>Comprehensive income for the period</b>							
Profit	-	-	-	-	32,239	-	32,239
Other comprehensive income (expense)	-	-	-	-	-	(741)	(741)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,239</b>	<b>(741)</b>	<b>31,498</b>
<b>Balance at 30 June 2018</b>	<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>5,017,474</b>	<b>1,226</b>	<b>6,406,800</b>

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

**Kang Yong Electric Public Company Limited**

**Statement of changes in equity (Unaudited)**

	Financial statements in which the equity method is applied							Other component	Total equity
	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Retained earnings			of equity		
				Legal reserve	Treasury shares reserve	Other reserve	Unappropriated	Available-for-sale investments	
<i>(in thousand Baht)</i>									
<b>Three month period ended 30 June 2019</b>									
Balance at 1 April 2019	220,000	(970,420)	726,100	22,000	970,420	420,000	3,829,422	(122)	5,217,400
<b>Comprehensive income for the period</b>									
Profit	-	-	-	-	-	-	165	-	165
Other comprehensive income (expense)	-	-	-	-	-	-	-	(210)	(210)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>(210)</b>	<b>(45)</b>
Balance at 30 June 2019	<u>220,000</u>	<u>(970,420)</u>	<u>726,100</u>	<u>22,000</u>	<u>970,420</u>	<u>420,000</u>	<u>3,829,587</u>	<u>(332)</u>	<u>5,217,355</u>

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

**Kang Yong Electric Public Company Limited**  
**Statement of changes in equity (Unaudited)**

	Separate financial statements					Other component of equity	Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Other reserve	Unappropriated		
<i>(in thousand Baht)</i>							
<b>Three month period ended 30 June 2018</b>							
<b>Balance at 1 April 2018</b>	<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,968,728</b>	<b>1,967</b>	<b>6,358,795</b>
<b>Comprehensive income for the period</b>							
Profit	-	-	-	-	33,261	-	33,261
Other comprehensive income (expense)	-	-	-	-	-	(741)	(741)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,261</b>	<b>(741)</b>	<b>32,520</b>
<b>Balance at 30 June 2018</b>	<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>5,001,989</b>	<b>1,226</b>	<b>6,391,315</b>



**Kang Yong Electric Public Company Limited**

**Statement of changes in equity (Unaudited)**

	Separate financial statements							Other component of equity	Total equity
	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Retained earnings			Available-for-sale investments		
				Legal reserve	Treasury shares reserve	Other reserve		Unappropriated	
<i>(in thousand Baht)</i>									
<b>Three month period ended 30 June 2019</b>									
<b>Balance at 1 April 2019</b>	<b>220,000</b>	<b>(970,420)</b>	<b>726,100</b>	<b>22,000</b>	<b>970,420</b>	<b>420,000</b>	<b>3,812,876</b>	<b>(122)</b>	<b>5,200,854</b>
<b>Comprehensive income for the period</b>									
Profit	-	-	-	-	-	-	1,652	-	1,652
Other comprehensive income (expense)	-	-	-	-	-	-	-	(210)	(210)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,652</b>	<b>(210)</b>	<b>1,442</b>
<b>Balance at 30 June 2019</b>	<b>220,000</b>	<b>(970,420)</b>	<b>726,100</b>	<b>22,000</b>	<b>970,420</b>	<b>420,000</b>	<b>3,814,528</b>	<b>(332)</b>	<b>5,202,296</b>

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

	<b>Financial statements</b>			
	<b>in which the equity method</b>			
	<b>is applied</b>		<b>Separate financial statements</b>	
	Three-month period ended 30 June		Three-month period ended 30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	165	32,239	1,652	33,261
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	(651)	6,724	(651)	6,724
Depreciation	81,372	83,541	81,372	83,541
Amortisation	2,128	2,029	2,128	2,029
Provision for warranties	18,660	10,500	18,660	10,500
Non-current provisions for employee benefits	63,977	5,070	63,977	5,070
Unrealised (gain) loss on exchange	12,363	(21,370)	12,363	(21,370)
Share of loss of associate	1,487	1,022	-	-
Reversal of losses on inventories devaluation	(875)	(15,214)	(875)	(15,214)
(Gain) loss on disposal of equipment	(14)	543	(14)	543
Dividend income	(277)	(473)	(277)	(473)
Interest income	(11,349)	(13,955)	(11,349)	(13,955)
Rental income	(4,294)	(4,294)	(4,294)	(4,294)
	<u>162,692</u>	<u>86,362</u>	<u>162,692</u>	<u>86,362</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	395,457	226,740	395,457	226,740
Value added tax refundable	47	(26,615)	47	(26,615)
Other receivables	(7,613)	1,653	(7,613)	1,653
Inventories	(15,119)	59,681	(15,119)	59,681
Other current assets	570	2,124	570	2,124
Other non-current assets	454	1,520	454	1,520
Trade accounts payable	(219,515)	(95,893)	(219,515)	(95,893)
Other payables	(125,591)	(160,472)	(125,591)	(160,472)
Other current liabilities	8,032	1,259	8,032	1,259
Warranties paid	(17,193)	(12,994)	(17,193)	(12,994)
Provident fund paid	-	(56)	-	(56)
Net cash generated from operating	<u>182,221</u>	<u>83,309</u>	<u>182,221</u>	<u>83,309</u>
Taxes paid	<u>(354)</u>	<u>(336)</u>	<u>(354)</u>	<u>(336)</u>
<b>Net cash from operating activities</b>	<b><u>181,867</u></b>	<b><u>82,973</u></b>	<b><u>181,867</u></b>	<b><u>82,973</u></b>

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

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

	<b>Financial statements</b>			
	<b>in which the equity method</b>		<b>Separate financial statements</b>	
	<b>is applied</b>			
	Three-month period ended 30 June	2018	2019	2018
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Decrease in current investments	-	950,000	-	950,000
Proceeds from disposal of property, plant and equipment	25	325	25	325
Acquisitions of property, plant and equipment	(102,480)	(76,901)	(102,480)	(76,901)
Acquisitions of computer software	(29)	(480)	(29)	(480)
Short-term loan to related party	(71,460)	(73,099)	(71,460)	(73,099)
Proceeds from short-term loan to related party	69,439	85,220	69,439	85,220
Dividends received	277	473	277	473
Interest received	10,724	12,131	10,724	12,131
Rental received	4,310	4,321	4,310	4,321
<b>Net cash from (used in) investing activities</b>	<b>(89,194)</b>	<b>901,990</b>	<b>(89,194)</b>	<b>901,990</b>
Net increase in cash and cash equivalents,				
before effect of exchange rates	92,673	984,963	92,673	984,963
Effect of exchange rate changes on cash and				
cash equivalents	(902)	-	(902)	-
<b>Net increase in cash and cash equivalents</b>	<b>91,771</b>	<b>984,963</b>	<b>91,771</b>	<b>984,963</b>
Cash and cash equivalents at 1 April	789,953	609,288	789,953	609,288
<b>Cash and cash equivalents at 30 June</b>	<b>881,724</b>	<b>1,594,251</b>	<b>881,724</b>	<b>1,594,251</b>
<b><i>Non-cash transactions</i></b>				
Property, plant and equipment purchased during the period				
are detailed as follows:				
Property, plant and equipment purchased during the period	(77,343)	(68,310)	(77,343)	(68,310)
Decrease in payables on purchases of				
property, plant and equipment	(25,137)	(8,591)	(25,137)	(8,591)
<b>Net purchase of property, plant and equipment</b>	<b>(102,480)</b>	<b>(76,901)</b>	<b>(102,480)</b>	<b>(76,901)</b>
<b>paid by cash</b>	<b>(102,480)</b>	<b>(76,901)</b>	<b>(102,480)</b>	<b>(76,901)</b>

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

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2019 (Unaudited)**

<b>Note</b>	<b>Contents</b>	<b>Page</b>
1	General information	12
2	Basis of preparation of the interim financial statements	12
3	Related parties	13
4	Long-term investments	15
5	Trade accounts receivable	15
6	Investment in associate	16
7	Property, plant and equipment	17
8	Non-current provisions for employee benefits	17
9	Segment information and disaggregation of revenue	18
10	Income tax expense	19
11	Basic earnings per share	19
12	Financial instruments	19
13	Commitments with non-related parties	20
14	Event after the reporting period	20
15	Thai Financial Reporting Standards (TFRS) not yet adopted	20

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2019 (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 financial statements, and were approved and authorised for issue by the Board of Directors on 8 August 2019.

**1 General information**

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 condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions 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 2019. 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 2019.

*(b) Use of judgements, estimates and accounting policies*

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 March 2019, except for revenue recognition which requires additional judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which the Company has initially adopted to replace TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS11”) and related interpretations.

Under TFRS 15, the Company recognises revenue 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 to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Company recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the financial statements.

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2019 (Unaudited)**

In addition, the Company has not early adopted a number of new and revised TFRS which are not yet effective for current period in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Company's operations are disclosed in note 15.

**3 Related parties**

Relationships with an associate was described in notes 6. For other related parties, there was no material changes in relationships.

Pricing policies have no material changes during the three-month period ended 30 June 2019.

Significant transactions for the three-month period ended 30 June with related parties were as follows:

<i>Three-month period ended 30 June</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Revenue from sale of goods	741,444	760,908
Other income	6	18
Royalty fee	40,651	44,487
Product development fee	58,009	56,059
Product warranty expense	13,167	11,913
Technical assistance fee	2,992	2,667
Distribution costs and administrative expenses	3,890	3,895
<b>Associate</b>		
Revenue from sale of goods	20	-
Rental income	4,294	4,294
Other income	157	156
Inventory management service fee	18,468	20,004
Distribution costs and administrative expenses	1,724	1,531
<b>Key management personnel</b>		
Key management personnel compensation		
Short-term employee benefits	21,781	20,793
Post-employment benefits	405	261
Other long-term benefits	4	2
Total key management personnel compensation	22,190	21,056
<b>Other related parties</b>		
Revenue from sale of goods	1,124,330	1,224,887
Purchases of raw material	246,533	269,576
Purchases of equipment	4,422	1,048
Dividend income	-	458
Interest income	70	47
Other income	99	314
Product warranty expense	2,435	174
Distribution costs and administrative expenses	9,788	10,761

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2019 (Unaudited)**

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2019 (Unaudited)**

Balances as at 30 June 2019 and 31 March 2019 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 June 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Parent	260,073	370,941
Associate	10	10
Other related parties	651,590	949,403
<b>Total</b>	<b>911,673</b>	<b>1,320,354</b>

<i>Other receivables - related parties</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 June 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Parent	340	2,471
Associate	1,479	1,495
Other related parties	27	1,375
<b>Total</b>	<b>1,846</b>	<b>5,341</b>

Movements during the three-month period ended 30 June 2019 of short-term loan to related party were as follows:

	<b>Interest rate</b>		<b>Financial statements in which the equity method is applied and separate financial statements</b>		
	31 March 2019	30 June 2019	31 March 2019	Increase	Decrease
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
Other related parties	1.00	1.00	<b>23,222</b>	71,460	(69,439)
					<b>25,243</b>

<i>Trade accounts payable - related parties</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 June 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Other related parties	<b>82,772</b>	<b>123,646</b>

<i>Other payables - related parties</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 June 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Parent	111,101	272,476
Associate	7,018	8,693



**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2019 (Unaudited)**

Other related parties	2,710	31,171
<b>Total</b>	<u>120,829</u>	<u>312,340</u>

**4 Long-term investments**

Movements during the three-month period ended 30 June 2019 of long-term investments were as follows:

	<b>Financial statements in which the equity method is applied and separate financial statements</b>				At 30 June 2019
	At 31 March 2019	Purchase	Disposal	Fair value adjustment	
					<i>(in thousand Baht)</i>
<b>Long-term investment</b>					
Equity securities available- for-sale	5,113	-	-	(263)	4,850
Other non-marketable equity securities	157,362	-	-	-	157,362
<b>Total</b>	<u>162,475</u>	<u>-</u>	<u>-</u>	<u>(263)</u>	<u>162,212</u>

**5 Trade accounts receivable**

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 June 2019	31 March 2019
		<i>(in thousand Baht)</i>
Within credit terms	882,884	1,299,704
Overdue		
Less than 3 months	28,871	20,869
<b>Total</b>	<u>911,755</u>	<u>1,320,573</u>

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

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2019 (Unaudited)**

**6 Investment in associate**

Investment in associate as at 30 June 2019 and 31 March 2019, and dividend income from the investment for the three-month period ended 30 June were as follows:

<b>Financial statements in which the equity method is applied</b>											Dividend income for the three-month periods ended	
Type of business	Ownership interest		Paid-up capital		Cost		Equity				30 June 2019	30 June 2018
	30 June 2019	31 March 2019	30 June 2019	31 March 2019	30 June 2019	31 March 2019	30 June 2019	31 March 2019				
	(%)						(in thousand Baht)					
<i>Associate</i>												
Smile Super Express Co., Ltd.	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>18,059</u>	<u>19,546</u>	-	-		
<b>Separate financial statements</b>											Dividend income for the three-month periods ended	
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net			
	30 June 2019	31 March 2019	30 June 2019	31 March 2019	30 June 2019	31 March 2019	30 June 2019	31 March 2019	30 June 2019	31 March 2019	30 June 2019	30 June 2018
	(%)						(in thousand Baht)					
Smile Super Express Co., Ltd.	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	-	-	<u>3,000</u>	<u>3,000</u>	-	-

The associate was incorporated in Thailand and is not publicly listed and consequently does not have published price quotation.

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2019 (Unaudited)**

**7 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the three-month period ended 30 June were as follows:

	<b>Financial statements in which The equity method is applied and separate financial statements</b>	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>	
Buildings and improvements	4,784	-
Machinery and equipment	2,722	-
Factory equipment	38,375	-
Office equipment	1,087	(11)
Assets under construction and installation	69,090	(38,715)
<b>Total</b>	<b>116,058</b>	<b>(38,726)</b>

**8 Non-current provisions for employee benefits**

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Company has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the first quarter of 2019. As a result of this change, the provision for retirement benefits as at 30 June 2019 as well as past service cost recognised during the three-month periods then ended in financial statements in which the equity method is applied and separate financial statements increased by an amount of Baht 57.41 million and Baht 57.41 million, respectively.



**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2018 (Unaudited)**

**10 Income tax expense**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Company's effective tax rate in respect of continuing operations for the three-month ended 30 June 2019 was 65.09% (31 March 2019: 5.85%). This change in effective tax rate was caused mainly by the use of taxable loss and movements in temporary differences during the period.

**11 Basic earnings per share**

The calculations of basic earnings per share for the three-month periods ended 30 June 2019 and 2018 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 30 June</i>	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<u>165</u>	<u>32,239</u>	<u>1,651</u>	<u>33,261</u>
<b>Number of ordinary shares outstanding*</b>	<u>19,800</u>	<u>22,000</u>	<u>19,800</u>	<u>22,000</u>
<b>Earnings per share (basic) <i>(in Baht)</i></b>	<u>0.01</u>	<u>1.47</u>	<u>0.08</u>	<u>1.51</u>

\*On 24 October 2018, the Company repurchased 2.2 million shares.

**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. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	<b>Financial statements in which the equity method is applied and separate financial statements</b>			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>30 June 2019</b>					
<b><i>Financial assets measured at fair value</i></b>					
Equity securities available-for-sale	4,850	4,325	-	525	4,850
<b>31 March 2019</b>					
<b><i>Financial assets measured at fair value</i></b>					

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2018 (Unaudited)**

	Carrying amount	Financial statements in which the equity method is applied and separate financial statements			
		Fair value			
Equity securities available-for-sale	5,113	4,596	-	517	5,113

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

Trade and other accounts receivable, short-term loan to related party, trade and other accounts payable; the carrying amounts of these financial assets approximate to the fair values due to the relative short-term maturity of these financial instruments.

**13 Commitments with non-related parties**

	Financial statements in which the equity method is applied and separate financial (in thousand Baht)
<i>At 30 June 2019</i>	
<b>Capital commitment</b>	
<i>Contracted but not provided for</i>	
Buildings and equipment	<u>66,072</u>
<b>Future minimum lease payments under non-cancellable operating leases</b>	
Within one year	5,472
After one year but within five years	9,650
<b>Total</b>	<u><u>15,122</u></u>

**14 Event after the reporting period**

At the annual general meeting of shareholders of the Company held on 25 July 2019, the shareholders approved the appropriation of dividend of 4.55 Baht per share, amounting to Baht 90.1 million. The dividend will be paid to the shareholders in August 2019.

**15 Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new and revised TFRS which are relevant to the Company's operations are expected to have significant impact on the Company's financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2018 (Unaudited)**

TFRS	Topic
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* TFRS - Financial instruments standards

**Kang Yong Electric Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 30 June 2018 (Unaudited)**

*a. TFRS - Financial instruments standards*

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

*b. TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.