

# **Kang Yong Electric Public Company Limited**

Interim financial statements  
for the three-month and six-month periods ended  
30 September 2017

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 30 September 2017; the statements in which the equity method is applied and separate statements of comprehensive income for the three-month and six-month periods ended 30 September 2017, the statements in which the equity method is applied and separate statements of changes in equity and cash flows for the six-month period ended 30 September 2017; 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 November 2017

# Kang Yong Electric Public Company Limited

## Statement of financial position

Assets	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		30 September	31 March	30 September	31 March
		2017	2017	2017	2017
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents		776,921	1,531,005	776,921	1,531,005
Current investments	6	3,300,000	2,500,000	3,300,000	2,500,000
Trade accounts receivable	3, 4	982,212	1,399,666	982,212	1,399,666
Other current receivables	3	35,292	231,887	35,292	231,887
Short-term loans to related party	3	29,295	74,274	29,295	74,274
Inventories		903,067	878,227	903,067	878,227
Other current assets		31,057	10,275	31,057	10,275
<b>Total current assets</b>		<b>6,057,844</b>	<b>6,625,334</b>	<b>6,057,844</b>	<b>6,625,334</b>
<b>Non-current assets</b>					
Investments held as available for sale	6	9,722	11,032	9,722	11,032
Investment in an associate	5	18,877	18,513	3,000	3,000
Other long-term investments	6	157,362	157,362	157,362	157,362
Investment properties	7	4,189	4,189	4,189	4,189
Property, plant and equipment	8	1,419,927	1,365,916	1,419,927	1,365,916
Intangible assets		47,729	37,570	47,729	37,570
Deferred tax assets		60,579	63,537	60,579	63,537
Other non-current assets		15,564	13,575	15,564	13,575
<b>Total non-current assets</b>		<b>1,733,949</b>	<b>1,671,694</b>	<b>1,718,072</b>	<b>1,656,181</b>
<b>Total assets</b>		<b>7,791,793</b>	<b>8,297,028</b>	<b>7,775,916</b>	<b>8,281,515</b>

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

# Kang Yong Electric Public Company Limited

## Statement of financial position

	<i>Note</i>	<b>Financial statements</b>			
		<b>in which the equity method</b>		<b>Separate financial statements</b>	
		<b>is applied</b>			
		30 September	31 March	30 September	31 March
<b>Liabilities and equity</b>		2017	2017	2017	2017
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b><i>Current liabilities</i></b>					
Trade accounts payable	3	633,939	1,078,668	633,939	1,078,668
Other current payables	3	490,556	467,719	490,556	467,719
Income tax payable		59,096	45,316	59,096	45,316
Other current liabilities		35,333	16,016	35,333	16,016
<b>Total current liabilities</b>		<b>1,218,924</b>	<b>1,607,719</b>	<b>1,218,924</b>	<b>1,607,719</b>
<b><i>Non-current liabilities</i></b>					
Provision for warranties		121,503	141,112	121,503	141,112
Non-current provisions for employee benefit		209,290	200,485	209,290	200,485
Provident funds		15,053	15,100	15,053	15,100
<b>Total non-current liabilities</b>		<b>345,846</b>	<b>356,697</b>	<b>345,846</b>	<b>356,697</b>
<b>Total liabilities</b>		<b>1,564,770</b>	<b>1,964,416</b>	<b>1,564,770</b>	<b>1,964,416</b>
<b><i>Equity</i></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
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
Other reserve		420,000	420,000	420,000	420,000
Unappropriated		4,835,358	4,939,899	4,819,481	4,924,386
Other component of equity		3,565	4,613	3,565	4,613
<b>Total equity</b>		<b>6,227,023</b>	<b>6,332,612</b>	<b>6,211,146</b>	<b>6,317,099</b>
<b>Total liabilities and equity</b>		<b>7,791,793</b>	<b>8,297,028</b>	<b>7,775,916</b>	<b>8,281,515</b>

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

# Kang Yong Electric Public Company Limited

## Statement of comprehensive income (Unaudited)

	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		Three-month period ended		Three-month period ended	
		30 September		30 September	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenue from sales and services	3	2,103,388	2,095,790	2,103,388	2,095,790
Interest and dividend income	3	314,932	369,278	315,932	369,278
Net foreign exchange gain		4,712	-	4,712	-
Other income	3	16,288	11,149	16,288	11,149
<b>Total revenues</b>		<b>2,439,320</b>	<b>2,476,217</b>	<b>2,440,320</b>	<b>2,476,217</b>
<b>Expenses</b>					
Cost of sale of goods					
and rendering of services		1,704,004	1,728,301	1,704,004	1,728,301
Distribution costs	3	86,871	91,137	86,871	91,137
Administrative expenses	3	213,790	204,101	213,790	204,101
Net foreign exchange loss		-	1,118	-	1,118
<b>Total expenses</b>		<b>2,004,665</b>	<b>2,024,657</b>	<b>2,004,665</b>	<b>2,024,657</b>
Share of profit of an associate	3	727	617	-	-
<b>Profit before income tax expense</b>		<b>435,382</b>	<b>452,177</b>	<b>435,655</b>	<b>451,560</b>
Income tax expense		(26,055)	(18,669)	(26,055)	(18,669)
<b>Profit for the period</b>		<b>409,327</b>	<b>433,508</b>	<b>409,600</b>	<b>432,891</b>
<b>Other comprehensive income</b>					
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>					
Gains (losses) on remeasurement investments held as available for sale		158	(2,540)	158	(2,540)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		(32)	508	(32)	508
<b>Other comprehensive income for the period, net of tax</b>		<b>126</b>	<b>(2,032)</b>	<b>126</b>	<b>(2,032)</b>
<b>Total comprehensive income for the period</b>		<b>409,453</b>	<b>431,476</b>	<b>409,726</b>	<b>430,859</b>
<b>Basic earnings per share (in Baht)</b>	10	<b>18.61</b>	<b>19.70</b>	<b>18.62</b>	<b>19.68</b>

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>	<b>Financial statements</b>			
		<b>in which the equity method</b>		<b>Separate financial statements</b>	
		<b>is applied</b>			
		Six-month period ended		Six-month period ended	
		30 September		30 September	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenue from sales and services	3	4,480,145	4,736,231	4,480,145	4,736,231
Interest and dividend income	3	331,406	384,907	332,406	384,907
Other income	3	25,329	19,725	25,329	19,725
<b>Total revenues</b>		<b>4,836,880</b>	<b>5,140,863</b>	<b>4,837,880</b>	<b>5,140,863</b>
<b>Expenses</b>					
Cost of sale of goods					
and rendering of services		3,642,942	3,844,412	3,642,942	3,844,412
Distribution costs	3	192,425	198,469	192,425	198,469
Administrative expenses	3	369,483	369,713	369,483	369,713
Net foreign exchange loss		7,272	6,897	7,272	6,897
<b>Total expenses</b>		<b>4,212,122</b>	<b>4,419,491</b>	<b>4,212,122</b>	<b>4,419,491</b>
Share of profit of an associate	3, 5	1,364	1,171	-	-
<b>Profit before income tax expense</b>		<b>626,122</b>	<b>722,543</b>	<b>625,758</b>	<b>721,372</b>
Income tax expense		(62,743)	(72,530)	(62,743)	(72,530)
<b>Profit for the period</b>		<b>563,379</b>	<b>650,013</b>	<b>563,015</b>	<b>648,842</b>
<b>Other comprehensive income</b>					
<i>Components of other comprehensive income</i>					
<i>that will be reclassified to profit or loss</i>					
Losses on remeasurement investments					
held as available for sale		(1,310)	(3,553)	(1,310)	(3,553)
Income tax relating to components of other comprehensive					
income that will be reclassified to profit or loss		262	711	262	711
<b>Other comprehensive income for the period,</b>					
<b>net of tax</b>		<b>(1,048)</b>	<b>(2,842)</b>	<b>(1,048)</b>	<b>(2,842)</b>
<b>Total comprehensive income for the period</b>		<b>562,331</b>	<b>647,171</b>	<b>561,967</b>	<b>646,000</b>
<b>Basic earnings per share (in Baht)</b>	10	<b>25.61</b>	<b>29.55</b>	<b>25.59</b>	<b>29.49</b>

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	Investments held as available for sale	
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 September 2016</b>								
Balance at 1 April 2016		220,000	726,100	22,000	420,000	4,026,082	6,720	5,420,902
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	11	-	-	-	-	(421,080)	-	(421,080)
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(421,080)</b>	<b>-</b>	<b>(421,080)</b>
<b>Comprehensive income for the period</b>								
Profit		-	-	-	-	650,013	-	650,013
Other comprehensive income		-	-	-	-	-	(2,842)	(2,842)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650,013</b>	<b>(2,842)</b>	<b>647,171</b>
<b>Balance at 30 September 2016</b>		<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,255,015</b>	<b>3,878</b>	<b>5,646,993</b>

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	Investments held as available for sale	
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 September 2017</b>								
Balance at 1 April 2017		220,000	726,100	22,000	420,000	4,939,899	4,613	6,332,612
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	11	-	-	-	-	(667,920)	-	(667,920)
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(667,920)</b>	<b>-</b>	<b>(667,920)</b>
<b>Comprehensive income for the period</b>								
Profit		-	-	-	-	563,379	-	563,379
Other comprehensive income		-	-	-	-	-	(1,048)	(1,048)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563,379</b>	<b>(1,048)</b>	<b>562,331</b>
<b>Balance at 30 September 2017</b>		<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,835,358</b>	<b>3,565</b>	<b>6,227,023</b>

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	
	Issued and paid-up share capital <i>Note</i>	Premium on ordinary shares	Retained earnings					Investments held as available for sale
			Legal reserve	Other reserve	Unappropriated			
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 September 2016</b>								
<b>Balance at 1 April 2016</b>	<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,011,767</b>	<b>6,720</b>	<b>5,406,587</b>	
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	11	-	-	-	(421,080)	-	(421,080)	
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(421,080)</b>	<b>-</b>	<b>(421,080)</b>	
<b>Comprehensive income for the period</b>								
Profit		-	-	-	648,842	-	648,842	
Other comprehensive income		-	-	-	-	(2,842)	(2,842)	
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>648,842</b>	<b>(2,842)</b>	<b>646,000</b>	
<b>Balance at 30 September 2016</b>		<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>4,239,529</b>	<b>3,878</b>	<b>5,631,507</b>	

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

# Kang Yong Electric Public Company Limited

## Statement of changes in equity (Unaudited)

	Note	Separate financial statements					Other component of equity	Total equity	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings					Investments held as available for sale
				Legal reserve	Other reserve	Unappropriated			
<i>(in thousand Baht)</i>									
<b>Six-month period ended 30 September 2017</b>									
<b>Balance at 1 April 2017</b>		<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,924,386</b>	<b>4,613</b>	<b>6,317,099</b>	
<b>Transactions with owners, recorded directly in equity</b>									
<i>Distributions to owners of the Company</i>									
Dividends to owners of the Company	11	-	-	-	-	(667,920)	-	(667,920)	
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(667,920)</b>	<b>-</b>	<b>(667,920)</b>	
<b>Comprehensive income for the period</b>									
Profit		-	-	-	-	563,015	-	563,015	
Other comprehensive income		-	-	-	-	-	(1,048)	(1,048)	
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563,015</b>	<b>(1,048)</b>	<b>561,967</b>	
<b>Balance at 30 September 2017</b>		<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,819,481</b>	<b>3,565</b>	<b>6,211,146</b>	

The accompanying notes are an integral part of these 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>is applied</b>		<b>Separate financial statements</b>	
	Six-month period ended 30 September		Six-month period ended 30 September	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	563,379	650,013	563,015	648,842
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Income tax expense	62,743	72,530	62,743	72,530
Depreciation	159,605	161,685	159,605	161,685
Amortisation	3,102	1,682	3,102	1,682
Provisions for employee benefit	9,395	8,258	9,395	8,258
Provision for warranties	15,321	17,987	15,321	17,987
Unrealised loss on exchange rate	1,262	1,783	1,262	1,783
Share of profit of an associate	(1,364)	(1,171)	-	-
Losses on inventories devaluation	1,442	7,908	1,442	7,908
Losses on disposal of machine and equipment	271	989	271	989
Dividend income	(300,372)	(355,703)	(301,372)	(355,703)
Interest income	(31,034)	(29,204)	(31,034)	(29,204)
Rental income	(8,598)	(8,598)	(8,598)	(8,598)
	<u>475,152</u>	<u>528,159</u>	<u>475,152</u>	<u>528,159</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	416,029	202,434	416,029	202,434
Other current receivables	24,856	33,345	24,856	33,345
Inventories	(26,282)	267,810	(26,282)	267,810
Other current assets	(20,782)	2,247	(20,782)	2,247
Other non-current assets	(1,989)	741	(1,989)	741
Trade accounts payable	(444,768)	(390,408)	(444,768)	(390,408)
Other current payables	14,941	(14,657)	14,941	(14,657)
Other current liabilities	19,317	19,156	19,317	19,156
Product warranties paid	(34,930)	(38,675)	(34,930)	(38,675)
Employee benefits paid	(590)	(374)	(590)	(374)
Provident fund paid	(47)	(7)	(47)	(7)
	<u>420,907</u>	<u>609,771</u>	<u>420,907</u>	<u>609,771</u>
Net cash generated from operating	420,907	609,771	420,907	609,771
Taxes paid	(45,743)	(13,077)	(45,743)	(13,077)
<b>Net cash from operating activities</b>	<b><u>375,164</u></b>	<b><u>596,694</u></b>	<b><u>375,164</u></b>	<b><u>596,694</u></b>

The accompanying notes are an integral part of these 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>			
	Six-month period ended 30 September		Six-month period ended 30 September	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Proceeds from sale of machine and equipment	1,396	279	1,396	279
Acquisitions of property and equipment	(207,186)	(173,691)	(207,186)	(173,691)
Acquisitions of computer software	(13,260)	(19,434)	(13,260)	(19,434)
Short-term loans to related party	(297,032)	(281,440)	(297,032)	(281,440)
Proceeds from short-term loans to related party	342,011	267,198	342,011	267,198
Dividends received	475,246	384,524	475,246	384,524
Interest received	28,885	28,470	28,885	28,470
Rental received	8,612	8,398	8,612	8,398
Increase in current investments	(800,000)	(300,000)	(800,000)	(300,000)
<b>Net cash used in investing activities</b>	<b>(461,328)</b>	<b>(85,696)</b>	<b>(461,328)</b>	<b>(85,696)</b>
<b><i>Cash flows from financing activities</i></b>				
Dividends paid to owners of the Company	(667,920)	(421,080)	(667,920)	(421,080)
<b>Net cash used in financing activities</b>	<b>(667,920)</b>	<b>(421,080)</b>	<b>(667,920)</b>	<b>(421,080)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(754,084)</b>	<b>89,918</b>	<b>(754,084)</b>	<b>89,918</b>
Cash and cash equivalents at beginning of period	1,531,005	1,063,853	1,531,005	1,063,853
<b>Cash and cash equivalents at ending of period</b>	<b>776,921</b>	<b>1,153,771</b>	<b>776,921</b>	<b>1,153,771</b>
<b><i>Supplemental disclosure of cash flows information</i></b>				
Property and equipment purchased during the period are detailed as follows:				
Property and equipment purchased during the period	(215,283)	(174,419)	(215,283)	(174,419)
Increase in payables on purchases of property and equipment	8,097	728	8,097	728
<b>Net purchase of property and equipment paid by cash</b>	<b>(207,186)</b>	<b>(173,691)</b>	<b>(207,186)</b>	<b>(173,691)</b>

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 six-month periods ended 30 September 2017 (Unaudited)**

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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 November 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 2016) *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 2017. 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 2017.

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 2017 except that the Company has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2017. 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**  
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*(c) Use of judgements and estimates*

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 2017.

*Measurement of fair values*

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable 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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 7	Investment properties
Note 12	Financial instruments

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**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.

Relationship with an associate was described in note 5. Relationships with key management and other related parties were as follows:

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



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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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
Mitsubishi Electric Asia (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
K.Y. Intertrade Co., Ltd.	Thailand	Common director

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.

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- 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.
- 13 Dividend income as declared amount.

Significant transactions for the three-month and six-month periods ended 30 September 2017 and 2016 with related parties were as follows:

<i>Three-month period ended 30 September</i>	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Revenue from sale of goods	990,389	832,973	990,389	832,973
Other income	-	60	-	60
Royalty fee	47,000	46,467	47,000	46,467
Product development fee	87,385	89,835	87,385	89,835
Product warranties paid	27,232	23,280	27,232	23,280
Technical assistance fee	8,162	6,857	8,162	6,857
Other selling and administrative expenses	323	3,010	323	3,010
<b>Associate</b>				
Revenue from sale of goods	-	41	-	41
Rental income	4,294	4,294	4,294	4,294
Dividend income	-	-	1,000	-
Other income	257	183	257	183
Inventory management service fee	20,274	18,820	20,274	18,820
Other selling and administrative expenses	1,645	1,463	1,645	1,463
Share of profit	727	617	-	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term benefits	19,769	17,514	19,769	17,514
Post-employment benefits	292	238	292	238
Other long-term benefits	3	2	3	2
Total key management personnel compensation	<u>20,064</u>	<u>17,754</u>	<u>20,064</u>	<u>17,754</u>
<b>Other related parties</b>				
Revenue from sale of goods	1,112,211	1,261,574	1,112,211	1,261,574
Dividend income	299,709	354,844	299,709	354,844
Interest income	91	110	91	110
Purchases of raw materials	261,040	264,421	261,040	264,421
Purchases of equipment	1,012	-	1,012	-
Product warranties paid	2,152	2,050	2,152	2,050
Other selling and administrative expenses	10,785	16,758	10,785	16,758

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<i>Six-month period ended 30 September</i>	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Revenue from sale of goods	2,125,774	1,922,677	2,125,774	1,922,677
Other income	10	87	10	87
Royalty fee	101,073	105,763	101,073	105,763
Product development fee	155,568	164,929	155,568	164,929
Product warranties paid	39,801	35,814	39,801	35,814
Technical assistance fee	10,929	9,412	10,929	9,412
Other selling and administrative expenses	1,047	3,116	1,047	3,116
<b>Associate</b>				
Revenue from sale of goods	-	46	-	46
Rental income	8,588	8,588	8,588	8,588
Dividend income	-	-	1,000	-
Other income	438	387	438	387
Inventory management service fee	41,853	41,603	41,853	41,603
Other selling and administrative expenses	3,751	3,640	3,751	3,640
Share of profit	1,364	1,171	-	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term benefits	38,945	35,507	38,945	35,507
Post-employment benefits	584	475	584	475
Other long-term benefits	6	5	6	5
Total key management personnel compensation	<u>39,535</u>	<u>35,987</u>	<u>39,535</u>	<u>35,987</u>
<b>Other related parties</b>				
Revenue from sale of goods	2,352,643	2,810,889	2,352,643	2,810,889
Dividend income	300,359	355,688	300,359	355,688
Interest income	166	221	166	221
Purchases of raw materials	567,302	589,021	567,302	589,021
Purchases of equipment	2,360	3,285	2,360	3,285
Product warranties paid	2,455	2,467	2,455	2,467
Other selling and administrative expenses	18,249	29,259	18,249	29,259

**Kang Yong Electric Public Company Limited**  
**Notes to the interim financial statements**  
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Balances as at 30 September 2017 and 31 March 2017 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 September 2017	31 March 2017
	<i>(in thousand Baht)</i>	
Parent		353,458
Associate	-	8
Other related parties	687,180	1,045,907
<b>Total</b>	<b>982,139</b>	<b>1,399,373</b>

<i>Other current receivables - related parties</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 September 2017	31 March 2017
	<i>(in thousand Baht)</i>	

<i>Accrued dividend income</i>			
<b>Other related parties</b>			
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	-	164,892	
Siam Compressor Industry Co., Ltd.	-	8,981	
	-	<b>173,873</b>	
<i>Others</i>			
Parent	-	1,061	
Associate	1,531	1,513	
Other related party	36	16	
	<b>1,567</b>	<b>2,590</b>	
<b>Total</b>	<b>1,567</b>	<b>176,463</b>	

<i>Short-term loans to related party</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>			
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
	<i>Interest rate</i>		<i>(in thousand Baht)</i>	
	<i>(% per annum)</i>			
<b>Other related party</b>				
Melco Thai Capital Co., Ltd.	0.80	0.80	<b>29,295</b>	<b>74,274</b>

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Movements during the six-month periods ended 30 September 2017 and 2016 of short-term loans to related party were as follows:

<i>Short-term loans to related party</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
<b>Other related party</b>		
At 1 April	74,274	36,198
Increase	297,032	281,440
Decrease	(342,011)	(267,198)
<b>At 30 September</b>	<b>29,295</b>	<b>50,440</b>

<i>Trade accounts payable - related parties</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 September 2017	31 March 2017
	<i>(in thousand Baht)</i>	
Other related parties	90,473	134,894

<i>Other current payables - related parties</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 September 2017	31 March 2017
	<i>(in thousand Baht)</i>	
Parent	225,575	294,130
Associate	6,639	10,795
Other related parties	7,976	34,464
<b>Total</b>	<b>240,190</b>	<b>339,389</b>

***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 May 2017, the Company notified to renew such agreement for a period of two years expiring on 31 July 2019.

**Kang Yong Electric Public Company Limited**  
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*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**

	Note	Financial statements in which the equity method is applied and separate financial statements	
		30 September 2017	31 March 2017
		<i>(in thousand Baht)</i>	
Related parties	3	982,139	1,399,373
Other parties		73	293
<b>Total</b>		<b>982,212</b>	<b>1,399,666</b>
		2017	2016
		<i>(in thousand Baht)</i>	
Bad and doubtful debts expenses for the three-month periods ended 30 September		-	-
six-month periods ended 30 September		-	-

Aging analyses for trade accounts receivable were as follows:

	Financial statements in which the equity method is applied and separate financial statements	
	30 September 2017	31 March 2017
	<i>(in thousand Baht)</i>	
<b>Related parties</b>		
Within credit terms	954,161	1,385,733
Overdue		
Less than 3 months	27,978	13,640
	<b>982,139</b>	<b>1,399,373</b>
<b>Other parties</b>		
Within credit terms	73	279
Overdue		
Less than 3 months	-	12
3 – 6 months	-	2
	<b>73</b>	<b>293</b>
<b>Total</b>	<b>982,212</b>	<b>1,399,666</b>

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

**Kang Yong Electric Public Company Limited**  
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**5 Investment in an associate**

	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<i>Six-month period ended 30 September</i>				
		<i>(in thousand Baht)</i>		
At 1 April	18,513	17,315	3,000	3,000
Share of profit of investment - equity method	1,364	1,171	-	-
Dividend income	(1,000)	-	-	-
<b>At 30 September</b>	<b><u>18,877</u></b>	<b><u>18,486</u></b>	<b><u>3,000</u></b>	<b><u>3,000</u></b>

During the six-month period ended 30 September 2017, there was no acquisition and disposal of investment in an associate.

As at 30 September 2017 and 31 March 2017, 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 six-month periods ended 30 September 2017 (Unaudited)

Investment in an associate as at 30 September 2017 and 31 March 2017 and dividend income from the investment for the six-month periods ended 30 September 2017 and 2016 were as follows:

<b>Financial statements in which the equity method is applied</b>											
Investee	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the six-month periods ended	
		30 September 2017	31 March 2017	30 September 2017	31 March 2017	30 September 2017	31 March 2017	30 September 2017	31 March 2017	30 September 2017	30 September 2016
		(%)		(in thousand Baht)							
Smile Super Express Co., Ltd.	Logistic	33.33	33.33	9,000	9,000	<u>3,000</u>	<u>3,000</u>	<u>18,877</u>	<u>18,513</u>	<u>1,000</u>	<u>-</u>

<b>Separate financial statements</b>											
Investee	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the six-month periods ended	
		30 September 2017	31 March 2017	30 September 2017	31 March 2017	30 September 2017	31 March 2017	30 September 2017	31 March 2017	30 September 2017	30 September 2016
		(%)		(in thousand Baht)							
Smile Super Express Co., Ltd.	Logistic	33.33	33.33	9,000	9,000	<u>3,000</u>	<u>3,000</u>	<u>1,000</u>	<u>-</u>		

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



**Kang Yong Electric Public Company Limited**  
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**6 Other investments**

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 September 2017	31 March 2017
	<i>(in thousand Baht)</i>	
<b><i>Current investments</i></b>		
Short-term deposits at financial institutions	3,300,000	2,500,000
	<u>3,300,000</u>	<u>2,500,000</u>
<b><i>Other long-term investments</i></b>		
Equity securities available-for-sale	9,722	11,032
Other non-marketable equity securities	157,362	157,362
	<u>167,084</u>	<u>168,394</u>
<b>Total</b>	<u><b>3,467,084</b></u>	<u><b>2,668,394</b></u>

Equity securities available-for-sale as at 30 September 2017 and 31 March 2017 were as follows:

	<b>Financial statements in which the equity method is applied and separate financial statements</b>			
	30 September 2017		31 March 2017	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
<b><i>Marketable securities - Available-for-sale securities</i></b>				
Kulthorn Kirby Public Co., Ltd.	4,965	9,268	4,965	10,582
City Sports and Recreation Public Co., Ltd.	300	454	300	450
	<u>5,265</u>	<u>9,722</u>	<u>5,265</u>	<u>11,032</u>
Add revaluation	4,457	-	5,767	-
<b>Total</b>	<u><b>9,722</b></u>	<u><b>9,722</b></u>	<u><b>11,032</b></u>	<u><b>11,032</b></u>

**Kang Yong Electric Public Company Limited**  
**Notes to the interim financial statements**  
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Other non-marketable equity securities as at 30 September 2017 and 31 March 2017, and dividend income from those investments for the six-month periods ended 30 September 2017 and 2016 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 six-month periods ended	
		30 September 2017 (%)	31 March 2017	30 September 2017	31 March 2017	30 September 2017	31 March 2017	30 September 2017 <i>(in thousand Baht)</i>	31 March 2017	30 September 2017	31 March 2017	30 September 2017	30 September 2016
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	279,180	332,712
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	20,529	22,132
<b>Total</b>						<b>157,362</b>	<b>157,362</b>	<b>-</b>	<b>-</b>	<b>157,362</b>	<b>157,362</b>	<b>299,973</b>	<b>355,108</b>

**Kang Yong Electric Public Company Limited**  
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**For the three-month and six-month periods ended 30 September 2017 (Unaudited)**

**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 30 September 2017, fair value of land and buildings that are leased to its associate and land not used in operations totaled approximately Baht 74.73 million (31 March 2017: Baht 77.04 million).

**8 Property, plant and equipment**

Acquisition, disposals and transfers of property, plant and equipment during the six-month periods ended 30 September 2017 and 2016 were as follows:

<i>Six-month period ended 30 September</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>			
	2017		2016	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land and improvements	-	-	-	942
Buildings and improvements	13,950	-	3,116	-
Machinery and equipment	31,484	469	14,750	133
Factory equipment	114,052	1,195	103,238	175
Office equipment	9,403	2	6,235	55
Vehicles	-	-	28	-
Assets under construction and installation	167,795	121,401	133,969	86,917
<b>Total</b>	<b>336,684</b>	<b>123,067</b>	<b>261,336</b>	<b>88,222</b>

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 six-month periods ended 30 September 2017 (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 six-month periods ended 30 September 2017 and 2016 was as follows:

<i>Three-month period ended 30 September</i>	Financial statements in which the equity method is applied							
	Domestic		Overseas				Total	
	2017	2016	Japan		Others		2017	2016
		2017	2016	2017	2016	2017	2016	
Revenue from sale of goods and rendering of services	740,682	831,871	1,004,584	840,995	358,122	422,924	2,103,388	2,095,790
Segment profit	115,854	132,425	183,787	143,027	29,455	26,829	329,096	302,281
Unallocated expenses							(230,373)	(230,030)
Interest and dividend income							314,932	369,278
Other income							16,288	11,149
Net foreign exchange gain (loss)							4,712	(1,118)
Share of profit of an associate							727	617
Profit before income tax expense							435,382	452,177
Income tax expense							(26,055)	(18,669)
<b>Profit for the period</b>							<b>409,327</b>	<b>433,508</b>

# Kang Yong Electric Public Company Limited

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2017 (Unaudited)

<i>Six-month period ended 30 September</i>	Financial statements in which the equity method is applied									
	Domestic		Overseas				Total			
	2017	2016	Japan	2016	Others	2016	2017	2016		
			2017	2016	2017	2016	2017	2016		
			<i>(in thousand Baht)</i>							
Revenue from sale of goods and rendering of services	1,392,031	1,697,669	2,245,113	2,044,198	843,001	994,364	4,480,145	4,736,231		
Segment profit	202,919	288,472	407,397	331,396	74,027	121,200	684,343	741,068		
Unallocated expenses							(409,048)	(417,431)		
Interest and dividend income							331,406	384,907		
Other income							25,329	19,725		
Net foreign exchange loss							(7,272)	(6,897)		
Share of profit of an associate							1,364	1,171		
Profit before income tax expense							626,122	722,543		
Income tax expense							(62,743)	(72,530)		
<b>Profit for the period</b>							<b>563,379</b>	<b>650,013</b>		
Segment assets as at 30 September 2017 / 31 March 2017							7,791,793	8,297,028		
Segment liabilities as at 30 September 2017 / 31 March 2017							1,564,770	1,964,416		

**Kang Yong Electric Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 September 2017 (Unaudited)**

**10 Basic earnings per share**

The calculations of basic earnings per share for the three-month and six-month periods ended 30 September 2017 and 2016 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 September</i>	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company (Basic)	<u>409,327</u>	<u>433,508</u>	<u>409,600</u>	<u>432,891</u>
Number of ordinary shares outstanding	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
<b>Earnings per share (Basic) (in Baht)</b>	<b><u>18.61</u></b>	<b><u>19.70</u></b>	<b><u>18.62</u></b>	<b><u>19.68</u></b>
	<i>(in thousand Baht / thousand shares)</i>			
<i>Six-month period ended 30 September</i>	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
Profit for the period attributable to ordinary shareholders of the Company (Basic)	<u>563,379</u>	<u>650,013</u>	<u>563,015</u>	<u>648,842</u>
Number of ordinary shares outstanding	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
<b>Earnings per share (Basic) (in Baht)</b>	<b><u>25.61</u></b>	<b><u>29.55</u></b>	<b><u>25.59</u></b>	<b><u>29.49</u></b>

**11 Dividends**

At the annual general meeting of the shareholders of the Company held on 26 July 2017, the shareholders approved the appropriation of dividend of Baht 30.36 per share, amounting to Baht 667.9 million. The dividend was paid to the shareholders in August 2017.

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.

**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.

# Kang Yong Electric Public Company Limited

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2017 (Unaudited)

	Carrying amount	Financial statements in which the equity method is applied and separate financial statements			Total
		Fair value			
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>30 September 2017</b>					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	9,722	9,268	-	454	<b>9,722</b>
<b>31 March 2017</b>					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	11,032	10,582	-	450	<b>11,032</b>

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 loans to related party, trade and other accounts payable; the carrying amounts of these financial assets and liabilities 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 statements	
	30 September 2017	31 March 2017
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
<i>Contracted but not provided for</i>		
Acquisitions of building, equipment and computer software	<b>64,517</b>	<b>49,617</b>
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within one year	6,125	6,644
After one year but within five years	5,301	5,879
<b>Total</b>	<b>11,426</b>	<b>12,523</b>

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 revised TFRS have been issued but are not yet effective and have not been applied in preparing these interim financial statements. Those revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January 2018, are set out below. The Company does not plan to adopt these TFRS early.

**Kang Yong Electric Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 September 2017 (Unaudited)**

TFRS	Topic
TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TFRS 8 (revised 2017)	Operating Segments
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 15 (revised 2017)	Operating Leases – Incentives
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (revised 2017)	Intangible Assets – Web Site Costs
TFRIC 4 (revised 2017)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment

The Company has made a preliminary assessment of the potential initial impact on the financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.