

Kang Yong Electric Public Company Limited

Interim financial statements
for the three-month and nine-month periods ended
31 December 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 31 December 2017; the statements in which the equity method is applied and separate statements of comprehensive income for the three-month and nine-month periods ended 31 December 2017, the statements in which the equity method is applied and separate statements of changes in equity and cash flows for the nine-month period ended 31 December 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
9 February 2018

Kang Yong Electric Public Company Limited

Statement of financial position

Assets	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December 2017 (Unaudited)	31 March 2017	31 December 2017 (Unaudited)	31 March 2017
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		1,008,199	1,531,005	1,008,199	1,531,005
Current investments	6	2,930,000	2,500,000	2,930,000	2,500,000
Trade accounts receivable	3, 4	893,837	1,399,666	893,837	1,399,666
Other current receivables	3	93,008	231,887	93,008	231,887
Short-term loans to related party	3	52,048	74,274	52,048	74,274
Inventories		1,229,132	878,227	1,229,132	878,227
Other current assets		31,143	10,275	31,143	10,275
Total current assets		6,237,367	6,625,334	6,237,367	6,625,334
Non-current assets					
Investments held as available for sale	6	8,374	11,032	8,374	11,032
Investment in an associate	5	17,886	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	1,452,565	1,365,916	1,452,565	1,365,916
Intangible assets		45,650	37,570	45,650	37,570
Deferred tax assets		65,006	63,537	65,006	63,537
Other non-current assets		15,845	13,575	15,845	13,575
Total non-current assets		1,766,877	1,671,694	1,751,991	1,656,181
Total assets		8,004,244	8,297,028	7,989,358	8,281,515

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

Kang Yong Electric Public Company Limited

Statement of financial position

	<i>Note</i>	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		31 December	31 March	31 December	31 March
Liabilities and equity		2017	2017	2017	2017
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Trade accounts payable	3	807,632	1,078,668	807,632	1,078,668
Other current payables	3	360,861	467,719	360,861	467,719
Income tax payable		11,294	45,316	11,294	45,316
Other current liabilities		45,420	16,016	45,420	16,016
Total current liabilities		1,225,207	1,607,719	1,225,207	1,607,719
<i>Non-current liabilities</i>					
Provision for warranties		111,598	141,112	111,598	141,112
Non-current provisions for employee benefit		212,211	200,485	212,211	200,485
Provident funds		15,053	15,100	15,053	15,100
Total non-current liabilities		338,862	356,697	338,862	356,697
Total liabilities		1,564,069	1,964,416	1,564,069	1,964,416
<i>Equity</i>					
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					
Unappropriated		5,049,588	4,939,899	5,034,702	4,924,386
Other component of equity		2,487	4,613	2,487	4,613
Total equity		6,440,175	6,332,612	6,425,289	6,317,099
Total liabilities and equity		8,004,244	8,297,028	7,989,358	8,281,515

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

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

	<i>Note</i>	Financial statements in which the equity method is applied		Separate financial statements	
		Three-month period ended		Three-month period ended	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Revenues					
Revenue from sales and services	3	1,683,886	1,745,228	1,683,886	1,745,228
Interest and dividend income	3	193,527	305,234	193,527	305,234
Net foreign exchange gain		-	29,249	-	29,249
Gain on sale of investment property		-	58,580	-	58,580
Other income	3	8,952	13,323	8,952	13,323
Total revenues		1,886,365	2,151,614	1,886,365	2,151,614
Expenses					
Cost of sale of goods and rendering of services		1,413,661	1,398,725	1,413,661	1,398,725
Distribution costs	3	75,149	78,844	75,149	78,844
Administrative expenses	3	173,057	160,257	173,057	160,257
Net foreign exchange loss		1,712	-	1,712	-
Total expenses		1,663,579	1,637,826	1,663,579	1,637,826
Share of loss of an associate	3	(991)	(489)	-	-
Profit before income tax expense		221,795	513,299	222,786	513,788
Income tax expense		(7,565)	(43,825)	(7,565)	(43,825)
Profit for the period		214,230	469,474	215,221	469,963
Other comprehensive income					
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>					
Losses on remeasurement investments held as available for sale		(1,348)	(392)	(1,348)	(392)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		270	78	270	78
Other comprehensive income for the period, net of tax		(1,078)	(314)	(1,078)	(314)
Total comprehensive income for the period		213,152	469,160	214,143	469,649
Basic earnings per share (in Baht)	10	9.74	21.34	9.78	21.36

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

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

		Financial statements		Separate financial statements		
		in which the equity method				
		is applied				
		Nine-month period ended		Nine-month period ended		
		31 December		31 December		
<i>Note</i>		2017	2016	2017	2016	
<i>(in thousand Baht)</i>						
Revenues						
	Revenue from sales and services	3	6,164,031	6,481,459	6,164,031	6,481,459
	Interest and dividend income	3	524,933	690,141	525,933	690,141
	Net foreign exchange gain		-	22,352	-	22,352
	Gain on sale of investment property		-	58,580	-	58,580
	Other income	3	34,281	33,048	34,281	33,048
	Total revenues		6,723,245	7,285,580	6,724,245	7,285,580
Expenses						
	Cost of sale of goods					
	and rendering of services		5,056,603	5,243,137	5,056,603	5,243,137
	Distribution costs	3	267,574	277,313	267,574	277,313
	Administrative expenses	3	542,540	529,970	542,540	529,970
	Net foreign exchange loss		8,984	-	8,984	-
	Total expenses		5,875,701	6,050,420	5,875,701	6,050,420
	Share of profit of an associate	3, 5	373	682	-	-
	Profit before income tax expense		847,917	1,235,842	848,544	1,235,160
	Income tax expense		(70,308)	(116,355)	(70,308)	(116,355)
	Profit for the period		777,609	1,119,487	778,236	1,118,805
Other comprehensive income						
Components of other comprehensive income						
that will be reclassified to profit or loss						
	Losses on remeasurement investments					
	held as available for sale		(2,658)	(3,945)	(2,658)	(3,945)
	Income tax relating to components of other comprehensive					
	income that will be reclassified to profit or loss		532	789	532	789
	Other comprehensive income for the period,					
	net of tax		(2,126)	(3,156)	(2,126)	(3,156)
	Total comprehensive income for the period		775,483	1,116,331	776,110	1,115,649
	Basic earnings per share (in Baht)	<i>10</i>	35.35	50.89	35.37	50.85

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>								
Nine-month period ended 31 December 2016								
Balance at 1 April 2016		220,000	726,100	22,000	420,000	4,026,082	6,720	5,420,902
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	11	-	-	-	-	(421,080)	-	(421,080)
Total distributions to owners of the Company		-	-	-	-	(421,080)	-	(421,080)
Comprehensive income for the period								
Profit		-	-	-	-	1,119,487	-	1,119,487
Other comprehensive income		-	-	-	-	-	(3,156)	(3,156)
Total comprehensive income for the period		-	-	-	-	1,119,487	(3,156)	1,116,331
Balance at 31 December 2016		220,000	726,100	22,000	420,000	4,724,489	3,564	6,116,153

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

		Financial statements in which the equity method is applied					Other component	
					Retained earnings		of equity	
		Issued	Premium				Investments	Total
		and paid-up	on ordinary	Legal reserve	Other	Unappropriated	held as	equity
<i>Note</i>	share capital	shares			reserve		available for sale	
<i>(in thousand Baht)</i>								
Nine-month period ended 31 December 2017								
	Balance at 1 April 2017	220,000	726,100	22,000	420,000	4,939,899	4,613	6,332,612
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
	Dividends to owners of the Company	11	-	-	-	(667,920)	-	(667,920)
	Total distributions to owners of the Company		-	-	-	(667,920)	-	(667,920)
Comprehensive income for the period								
	Profit		-	-	-	777,609	-	777,609
	Other comprehensive income		-	-	-	-	(2,126)	(2,126)
	Total comprehensive income for the period		-	-	-	777,609	(2,126)	775,483
	Balance at 31 December 2017	220,000	726,100	22,000	420,000	5,049,588	2,487	6,440,175

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

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 Investments held as available for sale	Total equity	
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings				
				Legal reserve	Other reserve <i>(in thousand Baht)</i>			Unappropriated
Nine-month period ended 31 December 2017								
Balance at 1 April 2017		220,000	726,100	22,000	420,000	4,924,386	4,613	6,317,099
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	11	-	-	-	-	(667,920)	-	(667,920)
Total distributions to owners of the Company		-	-	-	-	(667,920)	-	(667,920)
Comprehensive income for the period								
Profit		-	-	-	-	778,236	-	778,236
Other comprehensive income		-	-	-	-	-	(2,126)	(2,126)
Total comprehensive income for the period		-	-	-	-	778,236	(2,126)	776,110
Balance at 31 December 2017		220,000	726,100	22,000	420,000	5,034,702	2,487	6,425,289

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

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

	Financial statements			
	in which the equity method			
	is applied		Separate financial statements	
	Nine-month period ended		Nine-month period ended	
31 December		31 December		
2017	2016	2017	2016	
<i>(in thousand Baht)</i>				
<i>Cash flows from operating activities</i>				
Profit for the period	777,609	1,119,487	778,236	1,118,805
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Income tax expense	70,308	116,355	70,308	116,355
Depreciation	245,671	242,957	245,671	242,957
Amortisation	5,181	2,698	5,181	2,698
Provisions for employee benefit	14,094	12,388	14,094	12,388
Provision for warranties	22,691	21,146	22,691	21,146
Unrealised (gain) loss on exchange rate	3,268	(10,649)	3,268	(10,649)
Share of profit of an associate	(373)	(682)	-	-
Losses on inventories devaluation	13,140	7,940	13,140	7,940
(Gain) loss on disposal of machine and equipment	(232)	735	(232)	735
Gain on sale of investment property	-	(58,580)	-	(58,580)
Dividend income	(478,914)	(645,270)	(479,914)	(645,270)
Interest income	(46,019)	(44,871)	(46,019)	(44,871)
Rental income	(12,894)	(12,897)	(12,894)	(12,897)
	613,530	750,757	613,530	750,757
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	502,475	189,730	502,475	189,730
Other current receivables	(39,135)	19,367	(39,135)	19,367
Inventories	(364,045)	20,932	(364,045)	20,932
Other current assets	(20,868)	1,507	(20,868)	1,507
Other non-current assets	(2,270)	4,514	(2,270)	4,514
Trade accounts payable	(270,878)	(287,946)	(270,878)	(287,946)
Other current payables	(120,851)	(163,667)	(120,851)	(163,667)
Other current liabilities	29,404	29,666	29,404	29,666
Product warranties paid	(52,205)	(56,600)	(52,205)	(56,600)
Employee benefits paid	(2,368)	(589)	(2,368)	(589)
Provident fund paid	(47)	(108)	(47)	(108)
Net cash generated from operating	272,742	507,563	272,742	507,563
Taxes paid	(105,267)	(83,466)	(105,267)	(83,466)
Net cash from operating activities	167,475	424,097	167,475	424,097

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

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

	Financial statements			
	in which the equity method			
	is applied		Separate financial statements	
	Nine-month period ended		Nine-month period ended	
31 December		31 December		
2017	2016	2017	2016	
<i>(in thousand Baht)</i>				
<i>Cash flows from investing activities</i>				
Proceeds from sale of machine and equipment	2,010	597	2,010	597
Acquisitions of property and equipment	(320,177)	(242,764)	(320,177)	(242,764)
Acquisitions of computer software	(13,261)	(20,857)	(13,261)	(20,857)
Short-term loans to related party	(437,198)	(410,346)	(437,198)	(410,346)
Proceeds from short-term loans to related party	459,424	406,208	459,424	406,208
Dividends received	653,787	384,524	653,787	384,524
Interest received	50,194	42,434	50,194	42,434
Rental received	12,860	12,708	12,860	12,708
Sale of investment property	-	59,362	-	59,362
Increase in current investments	(430,000)	(300,000)	(430,000)	(300,000)
Net cash used in investing activities	(22,361)	(68,134)	(22,361)	(68,134)
<i>Cash flows from financing activities</i>				
Dividends paid to owners of the Company	(667,920)	(421,080)	(667,920)	(421,080)
Net cash used in financing activities	(667,920)	(421,080)	(667,920)	(421,080)
Net decrease in cash and cash equivalents	(522,806)	(65,117)	(522,806)	(65,117)
Cash and cash equivalents at beginning of period	1,531,005	1,063,853	1,531,005	1,063,853
Cash and cash equivalents at ending of period	1,008,199	998,736	1,008,199	998,736
<i>Supplemental disclosure of cash flows information</i>				
Property and equipment purchased during the period are detailed as follows:				
Property and equipment purchased during the period	(334,098)	(277,489)	(334,098)	(277,489)
Increase in payables on purchases of property and equipment	13,921	34,725	13,921	34,725
Net purchase of property and equipment paid by cash	(320,177)	(242,764)	(320,177)	(242,764)

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

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2017 (Unaudited)

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Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2017 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the directors on 9 February 2018.

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.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018. The Company has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2017 (Unaudited)

(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.

(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

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2017 (Unaudited)

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:

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Parent</i>		
Mitsubishi Electric Corporation	Japan	Parent, 40.81% shareholding
<i>Associate</i>		
Smile Super Express Co., Ltd.	Thailand	Associate, 33.33% shareholding
<i>Key management personnel</i>		
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
<i>Other related parties</i>		
Thai Refrigeration Components Co., Ltd.	Thailand	Common director
Kulthorn Kirby Public Company Limited	Thailand	Common director
Mitsubishi Electric Kang Yong Watana Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Siam Compressor Industry Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Life-Network Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Engineering Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Home Appliance Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Taiwan Co., Ltd.	Taiwan	A subsidiary of the Company's parent
Mitsubishi Electric Asia Pte. Ltd.	Singapore	A subsidiary of the Company's parent
Mitsubishi Electric Australia Pty. Ltd.	Australia	A subsidiary of the Company's parent
Mitsubishi Electric Ryoden Air - Conditioning & Visual Information Systems (Hong Kong) Ltd.	Hong Kong	A subsidiary of the Company's parent
Mitsubishi Electric Sales Malaysia Sdn.	Malaysia	A subsidiary of the Company's parent
Mitsubishi Electric (Malaysia) Sdn. Bhd.	Malaysia	A subsidiary of the Company's parent
Setsuyo Astec Corporation	Japan	A subsidiary of the Company's parent
Ryoden International Co., Ltd.	Hong Kong	A subsidiary of the Company's parent
Melco Thai Capital Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Information Network	Japan	A subsidiary of the Company's parent
Melco Travel Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric (Hong Kong) Ltd.	Hong Kong	A subsidiary of the Company's parent
Mitsubishi Electric Automation (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
K.G.M. Services Co., Ltd.	Thailand	A subsidiary of the Company's parent
Melco Logistics (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Trading Corp.	Japan	A subsidiary of the Company's parent

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Name of entities	Country of incorporation/ nationality	Nature of relationships
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.
- 11 Product warranty expense is based on actual amount claims.

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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 nine-month periods ended 31 December 2017 and 2016 with related parties were as follows:

<i>Three-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	568,139	718,983	568,139	718,983
Other income	225	65	225	65
Royalty fee	36,515	38,544	36,515	38,544
Product development fee	66,428	64,016	66,428	64,016
Product warranties paid	8,455	16,546	8,455	16,546
Technical assistance fee	2,613	3,479	2,613	3,479
Other selling and administrative expenses	7,003	233	7,003	233
Associate				
Revenue from sale of goods	-	43	-	43
Rental income	4,298	4,295	4,298	4,295
Other income	228	165	228	165
Inventory management service fee	18,012	16,885	18,012	16,885
Other selling and administrative expenses	1,582	1,508	1,582	1,508
Share of loss	(991)	(489)	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	13,816	14,224	13,816	14,224
Post-employment benefits	291	237	291	237
Other long-term benefits	3	2	3	2
Total key management personnel compensation	<u>14,110</u>	<u>14,463</u>	<u>14,110</u>	<u>14,463</u>
Other related parties				
Revenue from sale of goods	1,114,926	1,024,697	1,114,926	1,024,697
Dividend income	178,542	289,567	178,542	289,567
Other income	69	4,931	69	4,931
Purchase of raw materials	249,937	259,422	249,937	259,422
Purchase of equipment	-	1,020	-	1,020
Product warranties paid	182	1,186	182	1,186
Other selling and administrative expenses	16,855	14,586	16,855	14,586

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<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	2,693,913	2,641,660	2,693,913	2,641,660
Other income	235	152	235	152
Royalty fee	137,588	144,307	137,588	144,307
Product development fee	221,996	228,945	221,996	228,945
Product warranties paid	48,256	52,360	48,256	52,360
Technical assistance fee	13,542	12,891	13,542	12,891
Other selling and administrative expenses	8,050	3,349	8,050	3,349
Associate				
Revenue from sale of goods	-	89	-	89
Rental income	12,886	12,883	12,886	12,883
Dividend income	-	-	1,000	-
Other income	666	552	666	552
Inventory management service fee	59,865	58,488	59,865	58,488
Other selling and administrative expenses	5,333	5,148	5,333	5,148
Share of profit	373	682	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	52,761	49,731	52,761	49,731
Post-employment benefits	875	712	875	712
Other long-term benefits	9	7	9	7
Total key management personnel compensation	<u>53,645</u>	<u>50,450</u>	<u>53,645</u>	<u>50,450</u>
Other related parties				
Revenue from sale of goods	3,467,569	3,835,586	3,467,569	3,835,586
Dividend income	478,901	645,255	478,901	645,255
Other income	9,412	5,152	9,412	5,152
Purchase of raw material	817,239	848,443	817,239	848,443
Purchase of equipment	2,360	4,305	2,360	4,305
Product warranties paid	2,637	3,653	2,637	3,653
Other selling and administrative expenses	35,104	43,906	35,104	43,906

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Balances as at 31 December 2017 and 31 March 2017 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Financial statements in which the equity method is applied and separate financial statements			
	31 December 2017	31 March 2017		
	<i>(in thousand Baht)</i>			
Parent	149,790	353,458		
Associate	-	8		
Other related parties	743,756	1,045,907		
Total	<u>893,546</u>	<u>1,399,373</u>		
<i>Other current receivables - related parties</i>	Financial statements in which the equity method is applied and separate financial statements			
	31 December 2017	31 March 2017		
	<i>(in thousand Baht)</i>			
<i>Accrued dividend income</i>				
Other related parties				
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	-	164,892		
Siam Compressor Industry Co., Ltd.	-	8,981		
	<u>-</u>	<u>173,873</u>		
<i>Others</i>				
Parent	-	1,061		
Associate	1,547	1,513		
Other related party	31	16		
	<u>1,578</u>	<u>2,590</u>		
Total	<u>1,578</u>	<u>176,463</u>		
<i>Short-term loans to related party</i>	Financial statements in which the equity method is applied and separate financial statements			
	31 December 2017	31 March 2017	31 December 2017	31 March 2017
	<i>Interest rate (% per annum)</i>		<i>(in thousand Baht)</i>	
Other related party				
Melco Thai Capital Co., Ltd.	0.80	0.80	<u>52,048</u>	<u>74,274</u>

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Movements during the nine-month periods ended 31 December 2017 and 2016 of short-term loans to related party were as follows:

<i>Short-term loans to related party</i>	Financial statements in which the equity method is applied and separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Other related party		
At 1 April	74,274	36,198
Increase	437,198	410,346
Decrease	(459,424)	(406,208)
At 31 December	52,048	40,336

<i>Trade accounts payable - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2017	31 March 2017
	<i>(in thousand Baht)</i>	
Other related parties	98,973	134,894

<i>Other current payables - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2017	31 March 2017
	<i>(in thousand Baht)</i>	
Parent	213,264	294,130
Associate	7,890	10,795
Other related parties	7,027	34,464
Total	228,181	339,389

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.

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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

		Financial statements in which the equity method is applied and separate financial statements	
	<i>Note</i>	31 December 2017	31 March 2017
		<i>(in thousand Baht)</i>	
Related parties	3	893,546	1,399,373
Other parties		291	293
Total		893,837	1,399,666
		2017	2016
		<i>(in thousand Baht)</i>	
Bad and doubtful debts expenses for the three-month periods ended 31 December		-	-
nine-month periods ended 31 December		-	-

Aging analyses for trade accounts receivable were as follows:

		Financial statements in which the equity method is applied and separate financial statements	
		31 December 2017	31 March 2017
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		880,794	1,385,733
Overdue			
Less than 3 months		12,717	13,640
3 – 6 months		35	-
		893,546	1,399,373
Other parties			
Within credit terms		291	279
Overdue			
Less than 3 months		-	12
3 – 6 months		-	2
		291	293
Total		893,837	1,399,666

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

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5 Investment in an associate

<i>Nine-month period ended</i> <i>31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016 <i>(in thousand Baht)</i>	2017	2016
At 1 April	18,513	17,315	3,000	3,000
Share of profit of investment - equity method	373	682	-	-
Dividend income	(1,000)	-	-	-
At 31 December	<u>17,886</u>	<u>17,997</u>	<u>3,000</u>	<u>3,000</u>

During the nine-month period ended 31 December 2017, there was no acquisition and disposal of investment in an associate.

As at 31 December 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.

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

Financial statements in which the equity method is applied											
Investee	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month periods ended	
		31 December 2017	31 March 2017	31 December 2017	31 March 2017	31 December 2017	31 March 2017	31 December 2017	31 March 2017	31 December 2017	31 December 2016
		(%)				(in thousand Baht)					
Smile Super Express Co., Ltd.	Logistic	33.33	33.33	9,000	9,000	3,000	3,000	17,886	18,513	1,000	-

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

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

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6 Other investments

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2017	31 March 2017
	<i>(in thousand Baht)</i>	
<i>Current investments</i>		
Short-term deposits at financial institutions	2,930,000	2,500,000
	<u>2,930,000</u>	<u>2,500,000</u>
<i>Other long-term investments</i>		
Equity securities available-for-sale	8,374	11,032
Other non-marketable equity securities	157,362	157,362
	<u>165,736</u>	<u>168,394</u>
Total	<u>3,095,736</u>	<u>2,668,394</u>

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

	Financial statements in which the equity method is applied and separate financial statements			
	31 December 2017		31 March 2017	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
<i>Marketable securities - Available-for-sale securities</i>				
Kulthorn Kirby Public Co., Ltd.	4,965	7,879	4,965	10,582
City Sports and Recreation Public Co., Ltd.	300	495	300	450
	<u>5,265</u>	<u>8,374</u>	<u>5,265</u>	<u>11,032</u>
Add revaluation	3,109	-	5,767	-
Total	<u>8,374</u>	<u>8,374</u>	<u>11,032</u>	<u>11,032</u>

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7 Investment properties

Investment properties comprise land and buildings that are leased to an associate and plots of land that are not used in operations. As at 31 December 2017, fair value of land and buildings that are leased to its associate was determined by the independent professional valuers under Income Approach at Discounted cash flows method. Fair value of land not used in operations was considered by appraisal value of Treasury Department. As at 31 December 2017, fair value of land and buildings that are leased to its associate and land not used in operations totaled approximately Baht 154.56 million (31 March 2017: Baht 77.04 million).

8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 31 December 2017 and 2016 were as follows:

<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied and separate financial statements			
	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	16,214	-	6,758	-
Machinery and equipment	103,004	519	24,278	133
Factory equipment	272,498	1,236	139,802	229
Office equipment	12,842	22	24,153	133
Vehicles	-	-	104	-
Assets under construction and installation	263,844	334,304	199,178	116,784
Total	668,402	336,081	394,273	118,221

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

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9 Segment information

The Company's operations mainly involve business segments in product goods in Thailand and sale in both local and overseas market (Japan and other countries). Financial information of the Company by operating segments for the three-month and nine-month periods ended 31 December 2017 and 2016 was as follows:

	Financial statements in which the equity method is applied							
	Domestic		Overseas				Total	
	2017	2016	Japan		Others		2017	2016
<i>Three-month period ended 31 December</i>			2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>							
Revenue from sale of goods and rendering of services	607,056	559,682	571,160	722,021	505,670	463,525	1,683,886	1,745,228
Segment profit (loss)	114,620	89,934	99,085	149,309	(158)	48,612	213,547	287,855
Unallocated expenses							(191,528)	(180,453)
Interest and dividend income							193,527	305,234
Other income							8,952	13,323
Net foreign exchange gain (loss)							(1,712)	29,249
Gain on sale of investment property							-	58,580
Share of loss of an associate							(991)	(489)
Profit before income tax expense							221,795	513,299
Income tax expense							(7,565)	(43,825)
Profit for the period							214,230	469,474

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<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied								Total	
	Domestic		Oversea				Total			
	2017	2016	Japan 2017	2016	Others 2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
Revenue from sale of goods and rendering of services	1,999,087	2,257,351	2,816,273	2,766,220	1,348,671	1,457,888	6,164,031	6,481,459		
Segment profit	317,539	378,406	506,482	480,705	73,869	169,812	897,890	1,028,923		
Unallocated expenses							(600,576)	(597,884)		
Interest and dividend income							524,933	690,142		
Other income							34,281	33,047		
Net foreign exchange gain (loss)							(8,984)	22,352		
Gain on sale of investment property							-	58,580		
Share of profit of an associate							373	682		
Profit before income tax expense							847,917	1,235,842		
Income tax expense							(70,308)	(116,355)		
Profit for the period							777,609	1,119,487		
Segment assets as at 31 December 2017 / 31 March 2017							8,004,244	8,297,028		
Segment liabilities as at 31 December 2017 / 31 March 2017							1,564,069	1,964,416		

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10 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 31 December 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 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company (Basic)	<u>214,230</u>	<u>469,474</u>	<u>215,221</u>	<u>469,963</u>
Number of ordinary shares outstanding	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
Earnings per share (Basic) (in Baht)	<u>9.74</u>	<u>21.34</u>	<u>9.78</u>	<u>21.36</u>

<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company (Basic)	<u>777,609</u>	<u>1,119,487</u>	<u>778,236</u>	<u>1,118,805</u>
Number of ordinary shares outstanding	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
Earnings per share (Basic) (in Baht)	<u>35.35</u>	<u>50.89</u>	<u>35.37</u>	<u>50.85</u>

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.

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	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>					
31 December 2017					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	8,374	7,879	-	495	8,374
31 March 2017					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	11,032	10,582	-	450	11,032

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	
	31 December 2017	31 March 2017
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
<i>Contracted but not provided for</i>		
Acquisition of plant and equipment and computer software	40,414	49,617
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within one year	5,380	6,644
After one year but within five years	5,580	5,879
Total	10,960	12,523

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.