

Kang Yong Electric Public Company Limited

Interim financial statements
for the three-month and six-month periods ended
30 September 2018
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 2018; the related statements of comprehensive income for the three-month and six-month periods ended 30 September 2018, the statements of changes in equity and cash flows for the six-month period ended 30 September 2018; 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".

(Patamavan Vadhanakul)
Certified Public Accountant
Registration No. 9832

KPMG Phoomchai Audit Ltd.
Bangkok
7 November 2018

Kang Yong Electric Public Company Limited

Statement of financial position

Financial statements					
in which the equity method					
is applied					
Assets	<i>Note</i>	30 September	31 March	30 September	31 March
		2018	2018	2018	2018
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
<i>Current assets</i>					
Cash and cash equivalents		1,572,384	609,288	1,572,384	609,288
Current investments	4	2,350,000	3,300,000	2,350,000	3,300,000
Trade accounts receivable	3, 5	995,685	1,289,040	995,685	1,289,040
Other receivables	3	60,316	62,912	60,316	62,912
Short-term loan to related party	3	41,803	27,508	41,803	27,508
Inventories		843,890	1,046,186	843,890	1,046,186
Other current assets		7,068	14,277	7,068	14,277
Total current assets		5,871,146	6,349,211	5,871,146	6,349,211
<i>Non-current assets</i>					
Available-for-sale investments	4	7,155	7,724	7,155	7,724
Investment in associate	6	18,595	19,507	3,000	3,000
Other long-term investments	4	157,362	157,362	157,362	157,362
Investment properties		4,189	4,189	4,189	4,189
Property, plant and equipment	7	1,446,131	1,463,285	1,446,131	1,463,285
Intangible assets		41,131	44,675	41,131	44,675
Deferred tax assets		69,312	64,078	69,312	64,078
Other non-current assets		24,110	25,835	24,110	25,835
Total non-current assets		1,767,985	1,786,655	1,752,390	1,770,148
Total assets		7,639,131	8,135,866	7,623,536	8,119,359

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

Kang Yong Electric Public Company Limited

Statement of financial position

	Note	Financial statements in which the equity method is applied				Separate financial statements	
		30 September 2018 (Unaudited)	31 March 2018	30 September 2018 (Unaudited)	31 March 2018		
		<i>(in thousand Baht)</i>					
Liabilities and equity							
Current liabilities							
Trade accounts payable	3	672,346	894,460	672,346	894,460		
Other payables	3	486,392	500,410	486,392	500,410		
Other current liabilities		25,181	22,088	25,181	22,088		
Total current liabilities		1,183,919	1,416,958	1,183,919	1,416,958		
Non-current liabilities							
Provision for warranties		137,143	108,625	137,143	108,625		
Non-current provisions for employee benefits		230,139	220,420	230,139	220,420		
Provident funds		14,481	14,561	14,481	14,561		
Total non-current liabilities		381,763	343,606	381,763	343,606		
Total liabilities		1,565,682	1,760,564	1,565,682	1,760,564		
Equity							
Share capital:							
Authorised share capital		220,000	220,000	220,000	220,000		
Issued and paid-up share capital		220,000	220,000	220,000	220,000		
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		4,683,837	4,985,235	4,668,242	4,968,728		
Other component of equity		1,512	1,967	1,512	1,967		
Total equity		6,073,449	6,375,302	6,057,854	6,358,795		
Total liabilities and equity		7,639,131	8,135,866	7,623,536	8,119,359		

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

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

		Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		Three-month period ended		Three-month period ended	
		30 September		30 September	
<i>Note</i>		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Revenues					
	Revenue from sales of goods				
	and rendering of services	3	2,036,023	2,103,388	2,036,023
	Investment income	3	97,598	319,231	98,108
	Net foreign exchange gain		-	4,712	-
	Other income	3	9,895	11,989	9,895
	Total revenue		2,143,516	2,439,320	2,144,026
Expenses					
	Cost of sale of goods				
	and rendering of services	3	1,791,981	1,704,004	1,791,981
	Distribution costs	3	147,552	86,871	147,552
	Administrative expenses	3	187,231	213,790	187,231
	Net foreign exchange loss		3,153	-	3,153
	Total expenses		2,129,917	2,004,665	2,129,917
	Share of profit of associate		620	727	-
	Profit before income tax expense		14,219	435,382	14,109
	Tax income (expense)		11,844	(26,055)	11,844
	Profit for the period		26,063	409,327	25,953
Other comprehensive income					
Item that will be reclassified subsequently to profit or loss					
	Gains on remeasuring				
	available-for-sale investments		357	158	357
	Income tax relating to item that				
	will be reclassified subsequently to profit or loss		(71)	(32)	(71)
	Other comprehensive income for the period,				
	net of tax		286	126	286
	Total comprehensive income for the period		26,349	409,453	26,239
	Basic earnings per share (in Baht)	9	1.18	18.61	1.18
			18.62		

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	
		Six-month period ended		Six-month period ended	
		30 September		30 September	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Revenues					
Revenue from sales of goods					
and rendering of services	3	4,022,812	4,480,145	4,022,812	4,480,145
Investment income	3	116,320	340,004	116,830	341,004
Net foreign exchange gain		24,549	-	24,549	-
Other income	3	19,774	16,731	19,774	16,731
Total revenue		4,183,455	4,836,880	4,183,965	4,837,880
Expenses					
Cost of sale of goods					
and rendering of services	3	3,530,230	3,642,942	3,530,230	3,642,942
Distribution costs	3	236,263	192,425	236,263	192,425
Administrative expenses	3	363,378	369,483	363,378	369,483
Net foreign exchange loss		-	7,272	-	7,272
Total expenses		4,129,871	4,212,122	4,129,871	4,212,122
Share of profit (loss) of associate	6	(402)	1,364	-	-
Profit before income tax expense		53,182	626,122	54,094	625,758
Tax income (expense)		5,120	(62,743)	5,120	(62,743)
Profit for the period		58,302	563,379	59,214	563,015
Other comprehensive income (expense)					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Losses on remeasuring					
available-for-sale investments	4	(569)	(1,310)	(569)	(1,310)
Income tax relating to item that					
will be reclassified subsequently to profit or loss		114	262	114	262
Other comprehensive income (expense) for the period,					
net of tax		(455)	(1,048)	(455)	(1,048)
Total comprehensive income for the period		57,847	562,331	58,759	561,967
Basic earnings per share (in Baht)	9	2.65	25.61	2.69	25.59

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							Total equity
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			Other component of equity	
				Legal reserve	Other reserve	Unappropriated	Available-for-sale investments	
<i>(in thousand Baht)</i>								
Six month period ended 30 September 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	10	-	-	-	-	(667,920)	-	(667,920)
<i>Total distributions to owners of the Company</i>		-	-	-	-	(667,920)	-	(667,920)
Total transactions with owners, recorded directly in equity		-	-	-	-	(667,920)	-	(667,920)
Comprehensive income (expense) for the period								
Profit		-	-	-	-	563,379	-	563,379
Other comprehensive income (expense)		-	-	-	-	-	(1,048)	(1,048)
Total comprehensive income (expense) for the period		-	-	-	-	563,379	(1,048)	562,331
Balance at 30 September 2017		220,000	726,100	22,000	420,000	4,835,358	3,565	6,227,023

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							Total equity
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			Other component of equity	
				Legal reserve	Other reserve	Unappropriated	Available-for-sale investments	
<i>(in thousand Baht)</i>								
Six month period ended 30 September 2018								
Balance at 1 April 2018		220,000	726,100	22,000	420,000	4,985,235	1,967	6,375,302
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends	10	-	-	-	-	(359,700)	-	(359,700)
<i>Total distributions to owners of the Company</i>		-	-	-	-	(359,700)	-	(359,700)
Total transactions with owners, recorded directly in equity		-	-	-	-	(359,700)	-	(359,700)
Comprehensive income (expense) for the period								
Profit		-	-	-	-	58,302	-	58,302
Other comprehensive income (expense)		-	-	-	-	-	(455)	(455)
Total comprehensive income (expense) for the period		-	-	-	-	58,302	(455)	57,847
Balance at 30 September 2018		220,000	726,100	22,000	420,000	4,683,837	1,512	6,073,449

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		Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Retained earnings		Available-for-sale investments	
					Other reserve	Unappropriated		
<i>(in thousand Baht)</i>								
Six month period ended 30 September 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	10	-	-	-	-	(667,920)	-	(667,920)
Total distributions to owners of the Company		-	-	-	-	(667,920)	-	(667,920)
Total transactions with owners, recorded directly in equity		-	-	-	-	(667,920)	-	(667,920)
Comprehensive income (expense) for the period								
Profit		-	-	-	-	563,015	-	563,015
Other comprehensive income (expense)		-	-	-	-	-	(1,048)	(1,048)
Total comprehensive income (expense) for the period		-	-	-	-	563,015	(1,048)	561,967
Balance at 30 September 2017		220,000	726,100	22,000	420,000	4,819,481	3,565	6,211,146

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		Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Retained earnings		Available-for-sale investments	
					Other reserve	Unappropriated		
<i>(in thousand Baht)</i>								
Six month period ended 30 September 2018								
Balance at 1 April 2018		220,000	726,100	22,000	420,000	4,968,728	1,967	6,358,795
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends	10	-	-	-	-	(359,700)	-	(359,700)
Total distributions to owners of the Company		-	-	-	-	(359,700)	-	(359,700)
Total transactions with owners, recorded directly in equity		-	-	-	-	(359,700)	-	(359,700)
Comprehensive income (expense) for the period								
Profit		-	-	-	-	59,214	-	59,214
Other comprehensive income (expense)		-	-	-	-	-	(455)	(455)
Total comprehensive income (expense) for the period		-	-	-	-	59,214	(455)	58,759
Balance at 30 September 2018		220,000	726,100	22,000	420,000	4,668,242	1,512	6,057,854

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

Kang Yong Electric Public Company Limited

Statement of cash flows (Unaudited)

	Financial statements		Separate financial statements	
	in which the equity method			
	is applied			
	Six-month period ended 30 September		Six-month period ended 30 September	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	58,302	563,379	59,214	563,015
<i>Adjustments to reconcile profit</i>				
<i>to cash receipts (payments)</i>				
Tax (income) expense	(5,120)	62,743	(5,120)	62,743
Depreciation	166,349	159,605	166,349	159,605
Amortisation	4,052	3,102	4,052	3,102
Provision for warranties	74,241	15,321	74,241	15,321
Non-current provisions for employee benefits	10,139	9,395	10,139	9,395
Unrealised (gain) loss on exchange	(1,233)	1,262	(1,233)	1,262
Share of (profit) loss of associate	402	(1,364)	-	-
(Reversal of) losses on inventories devaluation	(4,875)	1,442	(4,875)	1,442
Loss on disposal of equipment	38	271	38	271
Dividend income	(80,279)	(300,372)	(80,789)	(301,372)
Interest income	(27,451)	(31,034)	(27,451)	(31,034)
Rental income	(8,589)	(8,598)	(8,589)	(8,598)
	<u>185,976</u>	<u>475,152</u>	<u>185,976</u>	<u>475,152</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	293,717	416,029	293,717	416,029
Other receivables	810	24,856	810	24,856
Inventories	207,171	(26,282)	207,171	(26,282)
Other current assets	7,209	(20,782)	7,209	(20,782)
Other non-current assets	2,447	(1,989)	2,447	(1,989)
Trade accounts payable	(222,024)	(444,768)	(222,024)	(444,768)
Other payables	(10,998)	14,941	(10,998)	14,941
Other current liabilities	3,093	19,317	3,093	19,317
Warranties paid	(45,723)	(34,930)	(45,723)	(34,930)
Employee benefits paid	(420)	(590)	(420)	(590)
Provident fund paid	(80)	(47)	(80)	(47)
	<u>421,178</u>	<u>420,907</u>	<u>421,178</u>	<u>420,907</u>
Net cash generated from operating	421,178	420,907	421,178	420,907
Taxes paid	(722)	(45,743)	(722)	(45,743)
Net cash from operating activities	<u>420,456</u>	<u>375,164</u>	<u>420,456</u>	<u>375,164</u>

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

Kang Yong Electric Public Company Limited

Statement of cash flows (Unaudited)

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	Six-month period ended 30 September		Six-month period ended 30 September	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
(Increase) decrease in current investments	950,000	(800,000)	950,000	(800,000)
Proceeds from disposal of equipment	848	1,396	848	1,396
Acquisitions of property and equipment	(152,464)	(207,186)	(152,464)	(207,186)
Acquisitions of computer software	(508)	(13,260)	(508)	(13,260)
Short-term loan to related party	(189,820)	(297,032)	(189,820)	(297,032)
Proceeds from short-term loans to related party	175,525	342,011	175,525	342,011
Dividends received	80,789	475,246	80,789	475,246
Interest received	29,349	28,885	29,349	28,885
Rental received	8,621	8,612	8,621	8,612
Net cash from (used in) investing activities	902,340	(461,328)	902,340	(461,328)
<i>Cash flows from financing activity</i>				
Dividends paid to owners of the Company	(359,700)	(667,920)	(359,700)	(667,920)
Net cash used in financing activity	(359,700)	(667,920)	(359,700)	(667,920)
Net increase (decrease) in cash and cash equivalents	963,096	(754,084)	963,096	(754,084)
Cash and cash equivalents at beginning of period	609,288	1,531,005	609,288	1,531,005
Cash and cash equivalents at ending of period	1,572,384	776,921	1,572,384	776,921
<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	(150,081)	(215,283)	(150,081)	(215,283)
Increase (decrease) in payables on purchases of property and equipment	(2,383)	8,097	(2,383)	8,097
Net purchase of property and equipment paid by cash	(152,464)	(207,186)	(152,464)	(207,186)

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 2018 (Unaudited)

Note	Contents	Page
1	General information	13
2	Basis of preparation of the interim financial statements	13
3	Related parties	15
4	Other investments	21
5	Trade accounts receivable	24
6	Investment in associate	25
7	Property, plant and equipment	27
8	Segment information	28
9	Basic earnings per share	30
10	Dividends	30
11	Financial instruments	31
12	Commitments with non-related parties	31
13	Event after the reporting period	32
14	Reclassification of accounts	32

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (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 Board of Directors on 7 November 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 immediate parent company during the financial period was Mitsubishi Electric Corporation (41.13% shareholding), which was incorporated in Japan.

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

2 Basis of preparation of the 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 2017) *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 2018. 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 2018.

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 2018 except that the Company has adopted all the revised TFRS that are effective for annual periods beginning on or after 1 January 2018. The adoption of these 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 revised TFRS, the FAP has issued a number of TFRS which are effective for annual periods beginning on or after 1 January of the following years. The Company will adopt these standards in preparing these financial statements on the effective dates.

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

TFRS	Topic	Effective
TFRS 7	Financial Instruments: Disclosures	2020
TFRS 9	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32	Financial Instruments: Presentation	2020
TFRIC 16	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	2020

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

(b) *Functional and presentation currency*

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency.

(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 2018.

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 these 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's Audit Committee.

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

- Level 1:* quoted prices (unadjusted) in active markets for identical assets.
- Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:* inputs for the asset that are not based on observable market data (unobservable inputs).

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

If the inputs used to measure the fair value of an asset 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.

Further information about the assumptions made in measuring fair values is included in note 11 - financial instruments.

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group 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 Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with associate was described in note 6. 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, 41.13% 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 Group.
<i>Other related parties</i>		
Thai Refrigeration Components Co., Ltd.	Thailand	Common directors
Kulthorn Kirby Public Company Limited	Thailand	Common directors
Mitsubishi Electric Kang Yong Watana Co., Ltd.	Thailand	A subsidiary of the Company's parent and common directors
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent and common directors
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

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2018 (Unaudited)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Ryoden International Co., Ltd.	Hong Kong	A subsidiary of the Company's parent
Melco Thai Capital Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Information Network	Japan	A subsidiary of the Company's parent
Melco Travel Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric (Hong Kong) Ltd.	Hong Kong	A subsidiary of the Company's parent
Mitsubishi Electric Automation (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
K.G.M. Services Co., Ltd.	Thailand	A subsidiary of the Company's parent
Melco Logistics (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Trading Corp.	Japan	A subsidiary of the Company's parent
Melco Trading (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric & Electronic (Shanghai) Co., Ltd.	China	A subsidiary of the Company's parent
Mitsubishi Electric Vietnam Company Limited	Vietnam	A subsidiary of the Company's parent
Mitsubishi Electric India Pvt. Ltd.	India	A subsidiary of the Company's parent
International Elevator & Equipment Inc.	Philippines	A subsidiary of the Company's parent
PT. Mitsubishi Electric Indonesia	Indonesia	A subsidiary of the Company's parent
Mitsubishi Electric Europe B.V. (Moscow Branch)	Russia	A subsidiary of the Company's parent
Setsuyo Astec (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric (Russia) LLC	Russia	A subsidiary of the Company's parent
Mitsubishi Electric Factory Automation (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Asia (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
K.Y. Intertrade Co., Ltd.	Thailand	Common directors

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 a technical assistance 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.

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

- 8 The Company has inventory management service fee with an associate. The service fee is based on the area used.
- 9 The Company entered into an agreement with various companies in the Mitsubishi Group, to manage total funding of the Group by the use of pooling accounts. The Company may earn or pay interest, which is based on the surplus funds or the funds used, at the interest rate of average deposit and loan interest rates offered by the bank.
- 10 Interest rates on short-term loans from or to related parties are determined by based on the interest rate of the bank.
- 11 Product warranty expense is based on actual amount claims.
- 12 Key management personnel compensation is defined by the Nomination and Remuneration Committee and the Company's policy.
- 13 Dividend income as declared amount.

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

<i>Three-month period ended 30 September</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	893,589	990,389	893,589	990,389
Royalty fee	45,289	47,000	45,289	47,000
Product development fee	88,989	87,385	88,989	87,385
Product warranty expense	26,983	27,232	26,983	27,232
Technical assistance fee	4,570	8,162	4,570	8,162
Distribution costs and administrative expenses	3,459	323	3,459	323
Associate				
Revenue from sale of goods	78	-	78	-
Rental income	4,294	4,294	4,294	4,294
Dividend income	-	-	510	1,000
Other income	181	257	181	257
Inventory management service fee	19,231	20,274	19,231	20,274
Distribution costs and administrative expenses	1,621	1,645	1,621	1,645
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	20,914	19,769	20,914	19,769
Post-employment benefits	261	292	261	292
Other long-term benefits	2	3	2	3
Total key management personnel compensation	<u>21,177</u>	<u>20,064</u>	<u>21,177</u>	<u>20,064</u>

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

<i>Three-month period ended 30 September</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other related parties				
Revenue from sale of goods	1,141,723	1,112,211	1,141,723	1,112,211
Purchases of raw material	238,973	261,040	238,973	261,040
Purchases of equipment	5,507	1,012	5,507	1,012
Dividend income	79,807	299,709	79,807	299,709
Interest income	62	91	62	91
Other income	1	-	1	-
Product warranty expense	1,069	2,152	1,069	2,152
Distribution costs and administrative expenses	21,465	10,785	21,465	10,785

<i>Six-month period ended 30 September</i>	Financial statements in which the equity method is applied		Separate financial Statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	1,654,497	2,125,774	1,654,497	2,125,774
Other income	18	10	18	10
Royalty fee	89,776	101,073	89,776	101,073
Product development fee	145,048	155,568	145,048	155,568
Product warranty expense	38,896	39,801	38,896	39,801
Technical assistance fee	7,237	10,929	7,237	10,929
Distribution costs and administrative expenses	7,354	1,047	7,354	1,047
Associate				
Revenue from sale of goods	78	-	78	-
Rental income	8,588	8,588	8,588	8,588
Dividend income	-	-	510	1,000
Other income	337	438	337	438
Inventory management service fee	39,235	41,853	39,235	41,853
Distribution costs and administrative expenses	3,152	3,751	3,152	3,751

Key management personnel				
Key management personnel compensation				
Short-term employee benefits	41,707	38,945	41,707	38,945
Post-employment benefits	522	584	522	584
Other long-term benefits	4	6	4	6
Total key management personnel compensation	<u>42,233</u>	<u>39,535</u>	<u>42,233</u>	<u>39,535</u>

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

<i>Six-month period ended 30 September</i>	Financial statements in which the equity method is applied		Separate financial Statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other related parties				
Revenue from sale of goods	2,366,610	2,352,643	2,366,610	2,352,643
Purchases of raw material	508,549	567,302	508,549	567,302
Purchases of equipment	6,555	2,360	6,555	2,360
Dividend income	80,265	300,359	80,265	300,359
Interest income	109	166	109	166
Other income	315	-	315	-
Product warranty expense	1,243	2,455	1,243	2,455
Distribution costs and administrative expenses	32,226	18,249	32,226	18,249

Balances as at 30 September 2018 and 31 March 2018 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	
	30 September 2018	31 March 2018
	<i>(in thousand Baht)</i>	
Parent	336,165	293,365
Other related parties	659,341	995,493
Total	995,506	1,288,858

<i>Other receivables - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	30 September 2018	31 March 2018
	<i>(in thousand Baht)</i>	
Associate	1,479	1,679
Other related parties	18	4,088
Total	1,497	5,767

<i>Short-term loan to related party</i>	Interest rate		Financial statements in which the equity method is applied and separate financial statements	
	30 September 2018	31 March 2018	30 September 2018	31 March 2018
	<i>(% per annum)</i>			
Other related party				
Melco Thai Capital Co., Ltd.	0.75	0.80	41,803	27,508

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

Movements during the six-month period ended 30 September of short-term loan to related party were as follows:

<i>Short-term loan to related party</i>	Financial statements in which the equity method is applied and separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
Other related party		
At 1 April	27,508	74,274
Increase	189,820	297,032
Decrease	(175,525)	(342,011)
At 30 September	41,803	29,925

<i>Trade accounts payable - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	30 September 2018	31 March 2018
	<i>(in thousand Baht)</i>	
Other related parties	94,979	115,615

<i>Other payables - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	30 September 2018	31 March 2018
	<i>(in thousand Baht)</i>	
Parent	208,667	278,086
Associate	6,688	8,769
Other related parties	16,823	39,257
Total	232,178	326,112

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.

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

Building rental agreement

The Company entered into a building rental agreement with Smile Super Express Co., Ltd., an associate, whereby the Company will provide building rental to the associate for use as a warehouse for its finished goods. The agreement was for a period of 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.

Inventory management service agreement

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

Thai Baht pooling service agreement

In May 2002, the Company entered into the Thai Baht pooling service agreement with Melco Thai Capital Co., Ltd. (MTC) 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 Other investments

	Financial statements in which the equity method is applied and separate financial statements	
	30 September 2018	31 March 2018
	<i>(in thousand Baht)</i>	
<i>Current investment</i>		
Short-term deposits at financial institutions	2,350,000	3,300,000
	2,350,000	3,300,000
<i>Other long-term investments</i>		
Equity securities available-for-sale	7,155	7,724
Other non-marketable equity securities	157,362	157,362
	164,517	165,086
Total	2,514,517	3,465,086

As at 30 September 2018, short-term deposits at financial institutions of Baht 2,350 million (*31 March 2018: Baht 3,300 million*), have period of maturity exceed 3 months to 12 months and have annual interest rates ranging from 1.25% to 1.60% (*31 March 2018: 1.25% to 1.60%*).

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

Equity securities available-for-sale as at 30 September 2018 and 31 March 2018 were as follows:

	Financial statements in which the equity method is applied and separate financial statements			
	30 September 2018		31 March 2018	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
Marketable securities - Available-for-sale securities				
Kulthorn Kirby Public Co., Ltd.	4,965	6,411	4,965	7,222
City Sports and Recreation Public Co., Ltd.	300	744	300	502
	<u>5,265</u>	<u>7,155</u>	<u>5,265</u>	<u>7,724</u>
Add valuation adjustment	1,890	-	2,459	-
Total	<u>7,155</u>	<u>7,155</u>	<u>7,724</u>	<u>7,724</u>

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

Other non-marketable equity securities as at 30 September 2018 and 31 March 2018, and dividend income from those investments for the six-month periods ended 30 September 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 2018	31 March 2018	30 September 2018	31 March 2018	30 September 2018	31 March 2018	30 September 2018	31 March 2018	30 September 2018	31 March 2018	30 September 2018	30 September 2017
		(%)		(in thousand Baht)									
Thai Refrigeration Components Co., Ltd.	Manufacturing of roll-bond evaporators	10.57	10.57	50,000	50,000	5,286	5,286	-	-	5,286	5,286	264	264
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	Manufacturing of air conditioners	10.00	10.00	1,200,000	1,200,000	120,000	120,000	-	-	120,000	120,000	73,392	279,180
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	6,415	20,529
Total						<u>157,362</u>	<u>157,362</u>	<u>-</u>	<u>-</u>	<u>157,362</u>	<u>157,362</u>	<u>80,071</u>	<u>299,973</u>

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

5 Trade accounts receivable

	<i>Note</i>	Financial statements in which the equity method is applied and separate financial statements	
		30 September 2018	31 March 2018
		<i>(in thousand Baht)</i>	
Related parties	3	995,506	1,288,858
Other parties		179	182
Total		995,685	1,289,040
		2018	2017
		<i>(in thousand Baht)</i>	
Bad and doubtful debts expense for the			
- Three-month period ended 30 September		-	-
- Six-month period 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 2018	31 March 2018
	<i>(in thousand Baht)</i>	
Related parties		
Within credit terms	966,026	1,287,589
Overdue		
Less than 3 months	29,480	1,269
	995,506	1,288,858
Other parties		
Within credit terms	157	182
Overdue		
Less than 3 months	22	-
	179	182
Total	995,685	1,289,040

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

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

6 Investment in associate

<i>Six-month period ended 30 September</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
		<i>(in thousand Baht)</i>		
At 1 April	19,507	18,513	3,000	3,000
Share of net profits (losses) of associate	(402)	1,364	-	-
Dividend income	(510)	(1,000)	-	-
At 30 September	<u>18,595</u>	<u>18,877</u>	<u>3,000</u>	<u>3,000</u>

During the six-month period ended 30 September 2018, there was no acquisition and disposal of investment in associate.

As at 30 September 2018 and 2017, the financial statements in which the equity method is applied included an investment in Smile Super Express Co., Ltd. which is accounted for using the equity method based on the reviewed financial statements 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 2018 (Unaudited)

Investment in associate as at 30 September 2018 and 31 March 2018, and dividend income from the investment for the six-month periods ended 30 September were as follows:

Financial statements in which the equity method is applied

	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the six-month periods ended	
		30	31	30	31	30	31	30	31	30	30
		September 2018	March 2018	September 2018	March 2018	September 2018	March 2018	September 2018	March 2018	September 2018	September 2017
<i>Associate</i>		(%)		(in thousand Baht)							
Smile Super Express Co., Ltd.	Logistic	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>18,595</u>	<u>19,507</u>	<u>510</u>	<u>1,000</u>

Separate financial statements

	Ownership interest	Paid-up capital	Cost	Impairment	At cost - net	Dividend income for the six-month periods ended						
						30	31	30	30			
						September 2018	March 2018	September 2018	March 2018			
<i>Associate</i>	(in thousand Baht)											
Smile Super Express Co., Ltd.	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>510</u>	<u>1,000</u>

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

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2018 (Unaudited)

7 Property, plant and equipment

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

<i>Six-month period ended 30 September</i>	Financial statements in which the equity method is applied and separate financial statements			
	2018		2017	
	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	19,500	-	-	-
Buildings and improvements	1,633	-	13,950	-
Machinery and equipment	19,495	622	31,484	469
Factory equipment	63,995	213	114,052	1,195
Office equipment	8,865	51	9,403	2
Vehicles	1,457	-	-	-
Assets under construction and installation	119,001	83,865	167,795	121,401
Total	233,946	84,751	336,684	123,067

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2018 (Unaudited)

8 Segment information

The Company's operations mainly involve business segments in manufacturing and selling of household electrical appliances in Thailand and sale goods in both domestic and oversea (Japan and other countries). Financial information of the Company by operating segments on a geographical basis for the three-month and six-month periods ended 30 September was as follows:

Information about reportable segments

<i>Three-month period ended 30 September</i>	Domestic		Overseas				Total	
	2018	2017	Japan		Others		2018	2017
			2018	2017	2018	2017		
					<i>(in thousand Baht)</i>			
Revenue from sales of goods and rendering of services	770,830	740,682	902,337	1,004,584	362,856	358,122	2,036,023	2,103,388
Segment profit (loss) before income tax	78,556	115,854	105,027	183,787	(6,835)	29,455	176,748	329,096
Unallocated expenses							(267,489)	(230,373)
Investment income							97,598	319,231
Net foreign exchange gain (loss)							(3,153)	4,712
Other income							9,895	11,989
Share of profit of associate							620	727
Profit before income tax expense							14,219	435,382
Tax income (expense)							11,844	(26,055)
Profit for the period							26,063	409,327

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2018 (Unaudited)

<i>Six-month period ended 30 September</i>	Domestic		Overseas				Total	
	2018	2017	Japan		Others		2018	2017
			2018	2017	2018	2017	2018	2017
					<i>(in thousand Baht)</i>			
Revenue from sales of goods and rendering of services	1,478,382	1,392,031	1,753,161	2,245,113	791,269	843,001	4,022,812	4,480,145
Segment profit (loss) before income tax	158,093	202,919	204,213	407,397	(6,639)	74,027	355,667	684,343
Unallocated expenses							(462,726)	(409,048)
Investment income							116,320	340,004
Net foreign exchange gain (loss)							24,549	(7,272)
Other income							19,774	16,731
Share of profit (loss) of associate							(402)	1,364
Profit before income tax expense							53,182	626,122
Tax income (expense)							5,120	(62,743)
Profit for the period							58,302	563,379
Segment assets as at								
30 September 2018 / 31 March 2018							7,639,131	8,135,866
Segment liabilities as at								
30 September 2018 / 31 March 2018							1,565,682	1,760,564

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2018 (Unaudited)

9 Basic earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 September 2018 and 2017 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>	Financial statements in which the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>26,063</u>	<u>409,327</u>	<u>25,953</u>	<u>409,600</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) <i>(in Baht)</i>	<u>1.18</u>	<u>18.61</u>	<u>1.18</u>	<u>18.62</u>
	Financial statements in which the equity method is applied		Separate financial statements	
<i>Six-month period ended 30 September</i>	2018	2017	2018	2017
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>58,302</u>	<u>563,379</u>	<u>59,214</u>	<u>563,015</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) <i>(in Baht)</i>	<u>2.65</u>	<u>25.61</u>	<u>2.69</u>	<u>25.59</u>

10 Dividends

At the annual general meeting of shareholders of the Company held on 25 July 2018, the shareholders approved the appropriation of dividend of 16.35 Baht per share, amounting to Baht 359.70 million. The dividend was paid to the shareholders in August 2018.

At the annual general meeting of shareholders of the Company held on 26 July 2017, the shareholders approved the appropriation of dividend of 30.36 Baht per share, amounting to Baht 667.92 million. The dividend was paid to the shareholders in August 2017.

Kang Yong Electric Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 September 2018 (Unaudited)

11 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 not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Financial statements in which the equity method is applied and separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
30 September 2018					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	7,155	6,411	-	744	7,155
31 March 2018					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	7,724	7,222	-	502	7,724

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

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

12 Commitments with non-related parties

	Financial statements in which the equity method is applied and separate financial statements	
	30 September 2018	31 March 2018
	<i>(in thousand Baht)</i>	
<i>Capital commitment</i>		
<i>Contracted but not provided for</i>		
Buildings and equipment	23,376	38,980

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2018 (Unaudited)

	Financial statements in which the equity method is applied and separate financial statements	
	30 September 2018	31 March 2018
	<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within one year	3,568	4,010
After one year but within five years	3,587	4,915
Total	<u>7,155</u>	<u>8,925</u>

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

13 Event after the reporting period

At Board of Directors' meeting of the Company held on 4 September 2018, the Board approved a Share Repurchase Project ('Project') to manage the Company's excess liquidity. Under the project, the Company shall repurchase not more than 10% of the paid-up capital of the Company, or 2,200,000 shares from the existing shareholders at Baht 440 per share. The maximum amount approved for share repurchase under the project shall not exceed Baht 986 million. The Company may purchase the shares through the Stock Exchange of Thailand (SET) during the period from 1 October 2018 to 19 October 2018. The shares purchased may be resold after 6 months but within 3 years from the date of purchase.

14 Reclassification of accounts

Certain accounts in the statement of comprehensive income for the three-month and six-month periods ended 30 September 2017, which are included in the 2018 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2018 interim financial statements as follows:

	2017					
	Financial statements in which the equity method is applied			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>			<i>(in thousand Baht)</i>		
<i>Statement of comprehensive income - Three-month period ended 30 September 2017</i>						
Investment income	314,932	4,299	319,231	315,932	4,299	320,231
Other income	16,288	<u>(4,299)</u>	11,989	16,288	<u>(4,299)</u>	11,989
		<u>-</u>			<u>-</u>	

Kang Yong Electric Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 September 2018 (Unaudited)

	2017					
	Financial statements in which the equity method is applied			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
<i>Statement of comprehensive income - Six-month period ended 30 September 2017</i>						
Investment income	331,406	8,598	340,004	332,406	8,598	341,004
Other income	25,329	<u>(8,598)</u>	16,731	25,329	<u>(8,598)</u>	16,731
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.