

# **Kang Yong Electric Public Company Limited**

Condensed Interim financial statements  
for the three-month and six-month periods ended  
30 September 2019  
and  
Independent auditor's review report



KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website kpmg.com/th

บริษัท เคพีเอ็มจี ภูมิภาค ไทย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ kpmg.com/th

## 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 2019; the related statements of comprehensive income for the three-month and six-month periods ended 30 September 2019, the statements of changes in equity and cash flows for the six-month period ended 30 September 2019; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### *Scope of Review*

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

#### *Conclusion*

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

*Sophit P.*

(Sophit Prompol)  
Certified Public Accountant  
Registration No. 10042

KPMG Phoomchai Audit Ltd.  
Bangkok  
12 November 2019

# Kang Yong Electric Public Company Limited

## Statement of financial position

Assets	Note	Financial statements			
		in which the equity method		Separate financial statements	
		30 September	31 March	30 September	31 March
		2019	2019	2019	2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		1,349,935	789,953	1,349,935	789,953
Current investments		1,900,000	2,100,000	1,900,000	2,100,000
Trade accounts receivable	3,5	894,090	1,320,573	894,090	1,320,573
Value added tax refundable		15,038	32,644	15,038	32,644
Other receivables	3	27,478	24,973	27,478	24,973
Short-term loan to related party	3	25,562	23,222	25,562	23,222
Inventories		797,052	896,613	797,052	896,613
Other current assets		7,661	7,469	7,661	7,469
<b>Total current assets</b>		<b>5,016,816</b>	<b>5,195,447</b>	<b>5,016,816</b>	<b>5,195,447</b>
<b>Non-current assets</b>					
Available-for-sale investments	4	4,114	5,113	4,114	5,113
Investment in associate	6	17,723	19,546	3,000	3,000
Other long-term investments	4	157,362	157,362	157,362	157,362
Investment properties		4,189	4,189	4,189	4,189
Property, plant and equipment	7	1,463,088	1,421,738	1,463,088	1,421,738
Intangible assets		37,366	41,174	37,366	41,174
Deferred tax assets		74,097	76,009	74,097	76,009
Other non-current assets		25,672	25,418	25,672	25,418
<b>Total non-current assets</b>		<b>1,783,611</b>	<b>1,750,549</b>	<b>1,768,888</b>	<b>1,734,003</b>
<b>Total assets</b>		<b>6,800,427</b>	<b>6,945,996</b>	<b>6,785,704</b>	<b>6,929,450</b>

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

# Kang Yong Electric Public Company Limited

## Statement of financial position

	Note	Financial statements			
		in which the equity method		Separate financial statements	
		30 September	31 March	30 September	31 March
Liabilities and equity		2019	2019	2019	2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		<i>(in thousand Baht)</i>			
<b>Current liabilities</b>					
Trade accounts payable	3	658,988	879,201	658,988	879,201
Other payables	3	415,137	480,769	415,137	480,769
Other current liabilities		30,813	14,396	30,813	14,396
<b>Total current liabilities</b>		<b>1,104,938</b>	<b>1,374,366</b>	<b>1,104,938</b>	<b>1,374,366</b>
<b>Non-current liabilities</b>					
Provision for warranties		108,388	103,563	108,388	103,563
Non-current provisions for employee benefits	8	305,662	237,347	305,662	237,347
Provident funds		13,085	13,320	13,085	13,320
<b>Total non-current liabilities</b>		<b>427,135</b>	<b>354,230</b>	<b>427,135</b>	<b>354,230</b>
<b>Total liabilities</b>		<b>1,532,073</b>	<b>1,728,596</b>	<b>1,532,073</b>	<b>1,728,596</b>
<b>Equity</b>					
Share capital:					
Authorised share capital	9	198,000	220,000	198,000	220,000
Issued and paid-up share capital	9	198,000	220,000	198,000	220,000
Treasury shares	9	-	(970,420)	-	(970,420)
Share premium:					
Share premium on ordinary shares		726,100	726,100	726,100	726,100
Retained earnings					
Appropriated					
Legal reserve		22,000	22,000	22,000	22,000
Treasury shares reserve	9	-	970,420	-	970,420
Other reserve		420,000	420,000	420,000	420,000
Unappropriated		3,903,175	3,829,422	3,888,452	3,812,876
Other component of equity		(921)	(122)	(921)	(122)
<b>Total equity</b>		<b>5,268,354</b>	<b>5,217,400</b>	<b>5,253,631</b>	<b>5,200,854</b>
<b>Total liabilities and equity</b>		<b>6,800,427</b>	<b>6,945,996</b>	<b>6,785,704</b>	<b>6,929,450</b>

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

# Kang Yong Electric Public Company Limited

## Statement of comprehensive income (Unaudited)

	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		Three-month period ended		Three-month period ended	
		30 September		30 September	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenue from sales of goods					
and rendering of services	3, 10	2,009,279	2,036,023	2,009,279	2,036,023
Investment income	3	137,730	97,598	137,910	98,108
Other income	3	6,482	9,895	6,482	9,895
<b>Total revenue</b>		<b>2,153,491</b>	<b>2,143,516</b>	<b>2,153,671</b>	<b>2,144,026</b>
<b>Expenses</b>					
Cost of sale of goods					
and rendering of services	3	1,710,686	1,791,981	1,710,686	1,791,981
Distribution costs	3	110,160	147,552	110,160	147,552
Administrative expenses	3	187,266	187,231	187,266	187,231
Net foreign exchange loss		72	3,153	72	3,153
<b>Total expenses</b>		<b>2,008,184</b>	<b>2,129,917</b>	<b>2,008,184</b>	<b>2,129,917</b>
Share of profit (loss) of associate	6	(156)	620	-	-
<b>Profit before income tax expense</b>		<b>145,151</b>	<b>14,219</b>	<b>145,487</b>	<b>14,109</b>
Tax income (expense)	11	(3,473)	11,844	(3,473)	11,844
<b>Profit for the period</b>		<b>141,678</b>	<b>26,063</b>	<b>142,014</b>	<b>25,953</b>
<b>Other comprehensive income</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring					
available-for-sale investments	4	(736)	357	(736)	357
Income tax relating to item that					
will be reclassified subsequently to profit or loss		147	(71)	147	(71)
<b>Other comprehensive income (expense) for the period,</b>					
<b>net of tax</b>		<b>(589)</b>	<b>286</b>	<b>(589)</b>	<b>286</b>
<b>Total comprehensive income (expense) for the period</b>		<b>141,089</b>	<b>26,349</b>	<b>141,425</b>	<b>26,239</b>
<b>Basic earnings per share (in Baht)</b>	12	<b>7.16</b>	<b>1.18</b>	<b>7.17</b>	<b>1.18</b>

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

# Kang Yong Electric Public Company Limited

## Statement of comprehensive income (Unaudited)

	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		Six-month period ended		Six-month period ended	
		30 September		30 September	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Revenues</b>					
Revenue from sales of goods					
and rendering of services	3,10	3,875,625	4,022,812	3,875,625	4,022,812
Investment income	3	153,650	116,320	153,830	116,830
Net foreign exchange gain		-	24,549	-	24,549
Other income	3	24,241	19,774	24,241	19,774
<b>Total revenue</b>		<b>4,053,516</b>	<b>4,183,455</b>	<b>4,053,696</b>	<b>4,183,965</b>
<b>Expenses</b>					
Cost of sale of goods					
and rendering of services	3	3,331,650	3,530,230	3,331,650	3,530,230
Distribution costs	3	203,583	236,263	203,583	236,263
Administrative expenses	3	362,852	363,378	362,852	363,378
Net foreign exchange loss		9,123	-	9,123	-
<b>Total expenses</b>		<b>3,907,208</b>	<b>4,129,871</b>	<b>3,907,208</b>	<b>4,129,871</b>
Share of profit (loss) of associate	6	(1,643)	(402)	-	-
<b>Profit before income tax expense</b>		<b>144,665</b>	<b>53,182</b>	<b>146,488</b>	<b>54,094</b>
Tax income (expense)	11	(2,822)	5,120	(2,822)	5,120
<b>Profit for the period</b>		<b>141,843</b>	<b>58,302</b>	<b>143,666</b>	<b>59,214</b>
<b>Other comprehensive income (expense)</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Losses on remeasuring					
available-for-sale investments	4	(999)	(569)	(999)	(569)
Income tax relating to item that					
will be reclassified subsequently to profit or loss		200	114	200	114
<b>Other comprehensive income (expense) for the period,</b>					
<b>net of tax</b>		<b>(799)</b>	<b>(455)</b>	<b>(799)</b>	<b>(455)</b>
<b>Total comprehensive income (expense) for the period</b>		<b>141,044</b>	<b>57,847</b>	<b>142,867</b>	<b>58,759</b>
<b>Basic earnings per share (in Baht)</b>	12	<b>7.16</b>	<b>2.65</b>	<b>7.26</b>	<b>2.69</b>

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

## Kang Yong Electric Public Company Limited

### Statement of changes in equity (Unaudited)

	Note	Financial statements in which the equity method is applied					Other component of equity	Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings				
				Legal reserve	Other reserve	Unappropriated		
<i>(in thousand Baht)</i>								
<b>Six month period ended 30 September 2018</b>								
Balance at 1 April 2018		220,000	726,100	22,000	420,000	4,985,235	1,967	6,375,302
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	13	-	-	-	-	(359,700)	-	(359,700)
<i>Total distributions to owners of the Company</i>		-	-	-	-	(359,700)	-	(359,700)
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	-	(359,700)	-	(359,700)
<b>Comprehensive income (expense) for the period</b>								
Profit		-	-	-	-	58,302	-	58,302
Other comprehensive income (expense)		-	-	-	-	-	(455)	(455)
<b>Total comprehensive income (expense) for the period</b>		-	-	-	-	58,302	(455)	57,847
<b>Balance at 30 September 2018</b>		<u>220,000</u>	<u>726,100</u>	<u>22,000</u>	<u>420,000</u>	<u>4,683,837</u>	<u>1,512</u>	<u>6,073,449</u>

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

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

	Financial statements in which the equity method is applied							Other component of equity	Total equity	
	Retained earnings									
	Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Legal reserve	Treasury shares reserve	Other reserve			Unappropriated
<i>(in thousand Baht)</i>										
<b>Six month period ended 30 September 2019</b>										
<b>Balance at 1 April 2019</b>		<b>220,000</b>	<b>(970,420)</b>	<b>726,100</b>	<b>22,000</b>	<b>970,420</b>	<b>420,000</b>	<b>3,829,422</b>	<b>(122)</b>	<b>5,217,400</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the Company</i>										
Write-off treasury shares - reduction of ordinary shares	9	(22,000)	970,420	-	-	(970,420)	-	22,000	-	-
Dividends to owners of the Company	13	-	-	-	-	-	-	(90,090)	-	(90,090)
<b>Total distributions to owners of the Company</b>		<b>(22,000)</b>	<b>970,420</b>	<b>-</b>	<b>-</b>	<b>(970,420)</b>	<b>-</b>	<b>(68,090)</b>	<b>-</b>	<b>(90,090)</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>198,000</b>	<b>-</b>	<b>726,100</b>	<b>22,000</b>	<b>-</b>	<b>420,000</b>	<b>3,761,332</b>	<b>(122)</b>	<b>5,127,310</b>
<b>Comprehensive income (expense) for the period</b>										
Profit		-	-	-	-	-	-	141,843	-	141,843
Other comprehensive income (expense)		-	-	-	-	-	-	-	(799)	(799)
<b>Total comprehensive income (expense) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,843</b>	<b>(799)</b>	<b>141,044</b>
<b>Balance at 30 September 2019</b>		<b>198,000</b>	<b>-</b>	<b>726,100</b>	<b>22,000</b>	<b>-</b>	<b>420,000</b>	<b>3,903,175</b>	<b>(921)</b>	<b>5,268,354</b>

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



# Kang Yong Electric Public Company Limited

## Statement of changes in equity (Unaudited)

	Note	Separate financial statements				Other component		Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		of equity		
				Legal reserve	Other reserve	Unappropriated	Available-for-sale investments	
<i>(in thousand Baht)</i>								
<b>Six month period ended 30 September 2018</b>								
<b>Balance at 1 April 2018</b>		<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,968,728</b>	<b>1,967</b>	<b>6,358,795</b>
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	13	-	-	-	-	(359,700)	-	(359,700)
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(359,700)</b>	<b>-</b>	<b>(359,700)</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(359,700)</b>	<b>-</b>	<b>(359,700)</b>
<b>Comprehensive income (expense) for the period</b>								
Profit		-	-	-	-	59,214	-	59,214
Other comprehensive income (expense)		-	-	-	-	-	(455)	(455)
<b>Total comprehensive income (expense) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,214</b>	<b>(455)</b>	<b>58,759</b>
<b>Balance at 30 September 2018</b>		<b>220,000</b>	<b>726,100</b>	<b>22,000</b>	<b>420,000</b>	<b>4,668,242</b>	<b>1,512</b>	<b>6,057,854</b>

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

**Kang Yong Electric Public Company Limited**

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

	Separate financial statements							Other component of equity	Total equity	
	Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Retained earnings					Available-for-sale investments
					Legal reserve	Treasury shares reserve	Other reserve			
<i>(in thousand Baht)</i>										
<b>Six month period ended 30 September 2019</b>										
<b>Balance at 1 April 2019</b>		220,000	(970,420)	726,100	22,000	970,420	420,000	3,812,876	(122)	5,200,854
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the Company</i>										
Write-off treasury shares - reduction of ordinary shares	9	(22,000)	970,420	-	-	(970,420)	-	22,000	-	-
Dividends to owners of the Company	13	-	-	-	-	-	-	(90,090)	-	(90,090)
<b>Total distributions to owners of the Company</b>		<b>(22,000)</b>	<b>970,420</b>	<b>-</b>	<b>-</b>	<b>(970,420)</b>	<b>-</b>	<b>(68,090)</b>	<b>-</b>	<b>(90,090)</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>198,000</b>	<b>-</b>	<b>726,100</b>	<b>22,000</b>	<b>-</b>	<b>420,000</b>	<b>3,744,786</b>	<b>(122)</b>	<b>5,110,764</b>
<b>Comprehensive income (expense) for the period</b>										
Profit		-	-	-	-	-	-	143,666	-	143,666
Other comprehensive income (expense)		-	-	-	-	-	-	-	(799)	(799)
<b>Total comprehensive income (expense) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,666</b>	<b>(799)</b>	<b>142,867</b>
<b>Balance at 30 September 2019</b>		<b>198,000</b>	<b>-</b>	<b>726,100</b>	<b>22,000</b>	<b>-</b>	<b>420,000</b>	<b>3,888,452</b>	<b>(921)</b>	<b>5,253,631</b>

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

# Kang Yong Electric Public Company Limited

## Statement of cash flows (Unaudited)

	<b>Financial statements</b>			
	<b>in which the equity method</b>		<b>Separate financial statements</b>	
	<b>is applied</b>			
	Six-month period ended 30 September		Six-month period ended 30 September	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	141,843	58,302	143,666	59,214
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	2,822	(5,120)	2,822	(5,120)
Depreciation	166,416	166,349	166,416	166,349
Amortisation	4,187	4,052	4,187	4,052
Provision for warranties	44,179	74,241	44,179	74,241
Non-current provisions for employee benefits	70,543	10,139	70,543	10,139
Unrealised (gain) loss on exchange	5,284	(1,233)	5,284	(1,233)
Share of loss of associate	1,643	402	-	-
Reversal of losses on inventories devaluation	(5,554)	(4,875)	(5,554)	(4,875)
(Gain) loss on disposal of plant and equipment	(4)	38	(4)	38
Dividend income	(121,530)	(80,279)	(121,710)	(80,789)
Interest income	(23,532)	(27,451)	(23,532)	(27,451)
Rental income	(8,589)	(8,589)	(8,589)	(8,589)
	<u>277,708</u>	<u>185,976</u>	<u>277,708</u>	<u>185,976</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	422,706	293,717	422,706	293,717
Value added tax receivable	17,606	(2,182)	17,606	(2,182)
Other receivables	(5,268)	2,992	(5,268)	2,992
Inventories	105,115	207,171	105,115	207,171
Other current assets	(192)	7,209	(192)	7,209
Other non-current assets	(239)	2,447	(239)	2,447
Trade accounts payable	(219,681)	(222,024)	(219,681)	(222,024)
Other payables	(44,960)	(10,998)	(44,960)	(10,998)
Other current liabilities	16,417	3,093	16,417	3,093
Warranties paid	(39,354)	(45,723)	(39,354)	(45,723)
Employee benefits paid	(2,228)	(420)	(2,228)	(420)
Provident fund paid	(235)	(80)	(235)	(80)
Net cash generated from operating	527,395	421,178	527,395	421,178
Taxes paid	(725)	(722)	(725)	(722)
<b>Net cash from operating activities</b>	<u><b>526,670</b></u>	<u><b>420,456</b></u>	<u><b>526,670</b></u>	<u><b>420,456</b></u>

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

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

	<b>Financial statements</b>			
	<b>in which the equity method</b>		<b>Separate financial statements</b>	
	<b>is applied</b>			
	Six-month period ended 30 September	Six-month period ended 30 September	Six-month period ended 30 September	Six-month period ended 30 September
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Decrease in current investments	200,000	950,000	200,000	950,000
Proceeds from disposal of plant and equipment	62	848	62	848
Acquisitions of plant and equipment	(227,872)	(152,464)	(227,872)	(152,464)
Acquisitions of computer software	(379)	(508)	(379)	(508)
Short-term loan to related party	(154,957)	(189,820)	(154,957)	(189,820)
Proceeds from short-term loans to related party	152,617	175,525	152,617	175,525
Dividends received	121,710	80,789	121,710	80,789
Interest received	26,276	29,349	26,276	29,349
Rental received	8,605	8,621	8,605	8,621
<b>Net cash from investing activities</b>	<b><u>126,062</u></b>	<b><u>902,340</u></b>	<b><u>126,062</u></b>	<b><u>902,340</u></b>
<b><i>Cash flows from financing activity</i></b>				
Dividends paid to owners of the Company	(90,090)	(359,700)	(90,090)	(359,700)
<b>Net cash used in financing activity</b>	<b><u>(90,090)</u></b>	<b><u>(359,700)</u></b>	<b><u>(90,090)</u></b>	<b><u>(359,700)</u></b>
Net increase in cash and cash equivalents, before effect of exchange rates	562,642	963,096	562,642	963,096
Effect of exchange rate changes on cash and cash equivalents	(2,660)	-	(2,660)	-
<b>Net increase in cash and cash equivalents</b>	<b><u>559,982</u></b>	<b><u>963,096</u></b>	<b><u>559,982</u></b>	<b><u>963,096</u></b>
Cash and cash equivalents at 1 April	789,953	609,288	789,953	609,288
<b>Cash and cash equivalents at 30 September</b>	<b><u>1,349,935</u></b>	<b><u>1,572,384</u></b>	<b><u>1,349,935</u></b>	<b><u>1,572,384</u></b>
<b><i>Non-cash transactions</i></b>				
Plant and equipment purchased during the period are detailed as follows:				
Plant and equipment purchased during the period	(207,824)	(150,081)	(207,824)	(150,081)
Decrease in payables on purchases of plant and equipment	(20,048)	(2,383)	(20,048)	(2,383)
<b>Net purchase of plant and equipment paid by cash</b>	<b><u>(227,872)</u></b>	<b><u>(152,464)</u></b>	<b><u>(227,872)</u></b>	<b><u>(152,464)</u></b>

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

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

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 12 November 2019.

**1 General information**

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

**2 Basis of preparation of the interim financial statements**

*(a) Statement of compliance*

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

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 March 2019. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 March 2019.

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

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

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

**Kang Yong Electric Public Company Limited**  
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In addition, the Company has not early adopted a number of new and revised TFRS which are not yet effective for current period in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Company's operations are disclosed in note 16.

**3 Related parties**

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

Pricing policies have no material changes during the six-month period ended 30 September 2019.

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>	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Revenue from sale of goods	905,758	893,589	905,758	893,589
Other income	11	-	11	-
Royalty fee	43,747	45,289	43,747	45,289
Product development fee	76,831	88,989	76,831	88,989
Product warranty expense	15,929	26,983	15,929	26,983
Technical assistance fee	5,640	4,570	5,640	4,570
Distribution costs and administrative expenses	2,330	3,459	2,330	3,459
<b>Associate</b>				
Revenue from sale of goods	25	78	25	78
Rental income	4,295	4,294	4,295	4,294
Dividend income	-	-	180	510
Other income	137	181	137	181
Inventory management service fee	17,736	19,231	17,736	19,231
Distribution costs and administrative expenses	1,538	1,621	1,538	1,621
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	21,257	20,914	21,257	20,914
Post-employment benefits	406	261	406	261
Other long-term benefits	3	2	3	2
Total key management personnel compensation	<u>21,666</u>	<u>21,177</u>	<u>21,666</u>	<u>21,177</u>
<b>Other related parties</b>				
Revenue from sale of goods	1,102,831	1,141,723	1,102,831	1,141,723
Purchases of raw material	243,424	238,973	243,424	238,973
Purchases of equipment	-	5,507	-	5,507
Dividend income	121,253	79,807	121,253	79,807
Interest income	90	62	90	62
Other income	135	1	135	1
Product warranty expense	3,334	1,069	3,334	1,069
Distribution costs and administrative expenses	21,800	21,465	21,800	21,465

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<i>Six-month period ended 30 September</i>	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Revenue from sale of goods	1,647,202	1,654,497	1,647,202	1,654,497
Other income	17	18	17	18
Royalty fee	84,398	89,776	84,398	89,776
Product development fee	134,840	145,048	134,840	145,048
Product warranty expense	29,096	38,896	29,096	38,896
Technical assistance fee	8,632	7,237	8,632	7,237
Distribution costs and administrative expenses	6,220	7,354	6,220	7,354
<b>Associate</b>				
Revenue from sale of goods	45	78	45	78
Rental income	8,589	8,588	8,589	8,588
Dividend income	-	-	180	510
Other income	294	337	294	337
Inventory management service fee	36,204	39,235	36,204	39,235
Distribution costs and administrative expenses	3,262	3,152	3,262	3,152
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	43,038	41,707	43,038	41,707
Post-employment benefits	811	522	811	522
Other long-term benefits	7	4	7	4
Total key management personnel compensation	<u>43,856</u>	<u>42,233</u>	<u>43,856</u>	<u>42,233</u>
<b>Other related parties</b>				
Revenue from sale of goods	2,227,161	2,366,610	2,227,161	2,366,610
Purchases of raw material	489,957	508,549	489,957	508,549
Purchases of equipment	4,422	6,555	4,422	6,555
Dividend income	121,253	80,265	121,253	80,265
Interest income	160	109	160	109
Other income	234	315	234	315
Product warranty expense	5,769	1,243	5,769	1,243
Distribution costs and administrative expenses	31,588	32,226	31,588	32,226

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

***Trade accounts receivable - related parties***

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 September 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Parent	285,994	370,941
Associate	-	10
Other related parties	607,951	949,403
<b>Total</b>	<u><b>893,945</b></u>	<u><b>1,320,354</b></u>



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*Other receivables - related parties*

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

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

	<b>Interest rate</b>		<b>Financial statements in which the equity method is applied and separate financial statements</b>			
	31 March 2019	30 September 2019	31 March 2019	Increase	Decrease	30 September 2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Other related parties	1.00	1.00	<b>23,222</b>	154,957	(152,617)	<b>25,562</b>

*Trade accounts payable - related parties*

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 September 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Other related parties	<b>98,276</b>	<b>123,646</b>

*Other payables - related parties*

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 September 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Parent	137,856	272,476
Associate	6,157	8,693
Other related parties	14,572	31,171
	<b>158,585</b>	<b>312,340</b>

**Kang Yong Electric Public Company Limited**  
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**4 Long-term investments**

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

	<b>Financial statements in which the equity method is applied and separate financial statements</b>				
	At 31 March 2019	Purchase	Disposal	Fair value adjustment	At 30 September 2019
<i>Current investment</i>					
Equity securities available- for-sale	5,113	-	-	(999)	4,114
Other non-marketable equity securities	157,362	-	-	-	157,362
<b>Total</b>	<b>162,475</b>	<b>-</b>	<b>-</b>	<b>(999)</b>	<b>161,476</b>

**5 Trade accounts receivable**

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	30 September 2019	31 March 2019
Within credit terms	877,653	1,299,704
Overdue		
Less than 3 months	16,437	20,869
<b>Total</b>	<b>894,090</b>	<b>1,320,573</b>

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

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**6 Investment in associate**

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

<b>Financial statements in which the equity method is applied</b>											
Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the six-month periods ended		
	30 September 2019	31 March 2019	30 September 2019	31 March 2019	30 September 2019	31 March 2019	30 September 2019	31 March 2019	30 September 2019	30 September 2018	
	(%)						(in thousand Baht)				
<i>Associate</i> Smile Super Express Co., Ltd.	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>17,723</u>	<u>19,546</u>	<u>180</u>	<u>510</u>	

<b>Separate financial statements</b>												
Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the six-month periods ended	
	30 September 2019	31 March 2019	30 September 2019	31 March 2019	30 September 2019	31 March 2019	30 September 2019	31 March 2019	30 September 2019	31 March 2019	30 September 2019	30 September 2018
	(%)						(in thousand Baht)					
<i>Associate</i> Smile Super Express Co., Ltd.	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>180</u>	<u>510</u>

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

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**7 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the six-month period ended 30 September 2019 were as follows:

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>	
Buildings and improvements	6,505	(1)
Machinery and equipment	15,771	-
Factory equipment	84,737	(17)
Office equipment	9,408	(40)
Assets under construction and installation	182,788	(91,385)
<b>Total</b>	<b>299,209</b>	<b>(91,443)</b>

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

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

**9 Share capital and treasury shares**

	Par value per share <i>(in Baht)</i>	2019		2018	
		Number	Amount	Number	Amount
<i>(thousand shares / thousand Baht)</i>					
<b>Authorised</b>					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
Reduction of shares	10	(2,200)	(22,200)	-	-
<b>At 30 September</b>					
- ordinary shares	10	<b>19,800</b>	<b>198,000</b>	<b>22,000</b>	<b>220,000</b>
<b>Issued and paid-up</b>					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
Reduction of shares	10	(2,200)	(22,000)	-	-
<b>At 30 September</b>					
- ordinary shares	10	<b>19,800</b>	<b>198,000</b>	<b>22,000</b>	<b>220,000</b>

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At the Board of Directors' meeting of the Company held on 4 September 2018, the Board approved a Share Repurchase Project and on 24 October 2018, the Company repurchased 2.2 million shares at Baht 440 per share, amounting to Baht 968 million and has commission expenses for the repurchase of Baht 2.42 million, at the total cost of Baht 970.42 million, which presented as a deduction from equity. In addition, the Company appropriated its retained earnings to treasury shares reserve at an equivalent amount.

Subsequently, at the Board of Directors' meeting of the Company held on 8 August 2019, the Board approved the resale of 2.2 million treasury shares and determined the period for resale of the treasury shares starting from 27 August 2019 to 9 September 2019. At the end of the resale period of the treasury shares, the Company was unable to resell the entire treasury shares and had 2.2 million unsold treasury shares in total. The Company then reduced share capital and paid-up capital from Baht 220 million to Baht 198 million by write-off all 2.2 million unsold treasury shares at the par value of Baht 10 per share totaling Baht 22 million and write-off all treasury shares and treasury shares reserve from equity. The Company has registered for reduction of share capital with Department of Business Development, Ministry of Commerce on 12 September 2019.

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**10 Segment information and disaggregation of revenue**

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 overseas (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 and disaggregation of revenue by geographical region*

<i>Three-month period ended 30 September</i>	Domestic		Overseas				Total	
	2019	2018	Japan		Others		2019	2018
			2019	2018	2019	2018		
					<i>(in thousand Baht)</i>			
Revenue from sales of goods and rendering of services	775,659	770,830	912,927	902,337	320,693	362,856	2,009,279	2,036,023
Segment profit (loss) before income tax	114,699	78,556	124,381	105,027	(6,123)	(6,835)	232,957	176,748
Unallocated expenses							(231,790)	(267,489)
Investment income							137,730	97,598
Net foreign exchange loss							(72)	(3,153)
Other income							6,482	9,895
Share of profit (loss) of associate							(156)	620
Profit before income tax expense							145,151	14,219
Tax income (expense)							(3,473)	11,844
<b>Profit for the period</b>							<b>141,678</b>	<b>26,063</b>



**Kang Yong Electric Public Company Limited**  
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**11 Income tax expense**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Company's effective tax rate in respect of continuing operations for the six-month period ended 30 September 2019 was 1.95% (31 March 2019: 5.85%). This change in effective tax rate was caused mainly by unutilised tax losses brought forward from the previous year have been utilised during the year to set-off against the current year's tax charge and the different treatment for accounting and taxation purposes of certain items of income and expenses.

**12 Basic earnings per share**

The calculations of basic earnings per share for the three-month and six-month periods ended 30 September 2019 and 2018 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
<i>Three-month period ended 30 September</i>				
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<u>141,678</u>	<u>26,063</u>	<u>142,014</u>	<u>25,953</u>
<b>Number of ordinary shares outstanding *</b>	<u>19,800</u>	<u>22,000</u>	<u>19,800</u>	<u>22,000</u>
<b>Earnings per share (basic) (in Baht)</b>	<u>7.16</u>	<u>1.18</u>	<u>7.17</u>	<u>1.18</u>
<i>Six-month period ended 30 September</i>				
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<u>141,843</u>	<u>58,302</u>	<u>143,666</u>	<u>59,214</u>
<b>Number of ordinary shares outstanding *</b>	<u>19,800</u>	<u>22,000</u>	<u>19,800</u>	<u>22,000</u>
<b>Earnings per share (basic) (in Baht)</b>	<u>7.16</u>	<u>2.65</u>	<u>7.26</u>	<u>2.69</u>

\* See note 9



**Kang Yong Electric Public Company Limited**  
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**13 Dividends**

At the annual general meeting of the shareholders of the Company held on 25 July 2019, the shareholders approved the appropriation of dividends of Baht 4.55 per share, amounting to Baht 90.10 million. The dividend was paid to the shareholders in August 2019.

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

**14 Financial instruments**

*Carrying amounts and fair values*

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

	Carrying amount	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>					
<b>30 September 2019</b>					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	4,114	3,553	-	561	4,114
<b>31 March 2019</b>					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	5,113	4,596	-	517	5,113

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

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

**15 Commitments with non-related parties**

	Financial statements in which the equity method is applied and separate financial statements <i>(in thousand Baht)</i>
<i>At 30 September 2019</i>	
<i>Capital commitments</i>	
<i>Contracted but not provided for:</i>	
Buildings and equipment	<b>93,676</b>

**Kang Yong Electric Public Company Limited**  
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*At 30 September 2019*

**Financial statements in which  
the equity method is applied  
and separate financial statements**  
*(in thousand Baht)*

***Future minimum lease payments under non-cancellable  
operating leases***

Within one year	5,295
After one year but within five years	8,377
<b>Total</b>	<b>13,672</b>

As at 30 September 2019, the Company had a letter of guarantee issued by a local bank to Metropolitan Electricity Authority amounting to Baht 15.76 million.

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

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

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* *TFRS - Financial instruments standards*

**a. *TFRS - Financial instruments standards***

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

**b. *TFRS 16 Leases***

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

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