

## Translation

**Minutes of the 2019 Annual General Meeting of Shareholders****Kang Yong Electric Public Company Limited****Thursday July 25, 2019, 02:00 p.m.****At Bu-nga Room, 3<sup>rd</sup> Floor, Golden Tulip Sovereign Hotel****92 Soi Saeng Chaem, Rama IX Road, Huay Kwang, Bangkok****Meeting called to order: 14.00 hrs.****Number of shareholders and proxies attending the meeting**

The Board of Directors had scheduled the record date of the shareholders' names appearing in the share register book (record date) as of June 28, 2019 was 2,051 in total, representing a total of 22,000,000 shares deducted the share repurchase 2,200,000 shares. Thus, there are 2,050 eligible voters, representing 19,800,000 shares.

There were 26 shareholders attending the meeting in person, representing 407,967 shares, and 27 attending the meeting by proxy, representing 15,358,821 shares, making up a total of 53 shareholders and proxies attending the meeting, holding an aggregate of 15,766,788 shares or 79.63%. This constituted a quorum as the Company regulation.

**Directors attending the meeting**

- |    |                            |  |
|----|----------------------------|--|
| 1. | Mr. Praphad Phodhivorakhun | Chairman of the Board of Directors /<br>Chairman of The Board of Executive Directors/<br>Member of the Nomination and Remuneration<br>Committee / Chairman of the meeting                            |
| 2. | Mr. Takenori Adachi        | Vice Chairman of the Board of Directors /<br>Vice Chairman of the Board of Executive Directors /<br>Member of the Nomination and Remuneration<br>Committee / Member of the Product Pricing Committee |
| 3. | Mr. Akira Nakamichi        | Director / Executive Director /<br>Member of the Product Pricing Committee   |
| 4. | Mr. Praphon Potivorakhun   | Director / Executive Director  |
| 5. | Mr. Chackchai Panichapat   | Independent Director / Chairman of the Audit<br>Committee / Member of the Nomination and<br>Remuneration Committee   |

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|-----|--------------------------|----------------|--|
| 6.  | Mr. Manu                 | Leopairote     | Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Product Pricing Committee |
| 7.  | Mr. Arthakrit            | Visudtibhan    | Independent Director / Chairman of the Product Pricing Committee / Member of the Audit Committee                       |
| 8.  | Mr. Tanabodee            | Kusinkert      | Independent Director / Member of the Audit Committee/ Member of the Product Pricing Committee                          |
| 9.  | Pol.Maj.Gen. Sahaschai   | Indrasukhsri   | Independent Director / Member of the Nomination and Remuneration Committee   |
| 10. | Assoc. Prof. Dr. Issaree | Hunsacharonroj | Director   |
| 11. | Mr. Takeshi              | Oshima         | Director   |
| 12. | Mr. Hiroataka            | Abo            | Director   |

**Directors absent from the meeting**

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|----|---------------|---------------|----------|
| 1. | Mr. Yasumichi | Tazunoki      | Director |
| 2. | Mr. Tomohiko  | Kasai         | Director |
| 3. | Dr. Apichai   | Boontherawara | Director |

**Management members attending the meeting**

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|----|--------------|----------------|--|
| 1. | Mr. Aniwat   | Sae-Lim        | Finance Department Manager / Company Secretary |
| 2. | Ms. Pornthip | Sriubol        | Advisor of Finance Department                  |
| 3. | Ms. Siriporn | Jullavateelert | General Accounting Section Manager             |

**Meeting Secretary**

Ms. Thaniya	Palakavongse Na Ayudhya	Corporate Strategic Planning Office Deputy Section Manager
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**Auditors from KPMG Phoomchai Audit Ltd.**

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|----|--------------|-----------|-----------------------------|
| 1. | Ms. Pornthip | Rimduisit | Certified Public Accountant |
| 2. | Ms. Sophit   | Prompol   | Certified Public Accountant |
| 3. | Mr. Sarasak  | Juntana   | Manager                     |

**Executive in charge of vote count examination**

Mr. Kritsana	Chatchaivorawong	Internal Audit Control Department Manager
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**Legal advisor from KYE**

Mr. Prachak	Dokphut
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**Translator**

Ms. Pannee                      Mannil

**Shareholder right protection volunteer** a proxy of Thai Investors Association

Mr. Eakawat                      Prachasak

The Meeting Secretary clarified the meeting procedure and counting the quorum. The meeting proceedings will proceed according to the agenda specified in the meeting invitation. In casting votes, each shareholder shall entitle to one share for one vote. In order for the vote counting process to be fast, the Company will collect the ballots only if there are shareholders who wish to vote disapproved or abstained. By deducting the disapproved votes from the total number of votes in each agenda in order to get the number of the vote for approval. And informed the quorum about the number of the shareholders and the total number of shares attending the meeting for the meeting.

The Meeting Secretary then invited Mr. Praphad Phodhivorakhun, Chairman of the meeting, to conduct the AGM 2019 according to the invitation to the Annual General Meeting of Shareholders set forth as follows:

**Agenda No. 1 To adopt the minutes of the Annual General Meeting of Shareholders for the Year 2018**

The Chairman requested the meeting to consider and approve the minutes of the 2018 Annual General Meeting of Shareholders held on Wednesday July 2, 2018 already sent to the shareholders together with the notice of the meeting, and submitted to the Stock Exchange of Thailand (SET) and the Ministry of Commerce (MOC) as prescribed by law, as well as posted on the Company website.

The Chairman invited the shareholders to raise questions and voice their opinions.

**Resolution:** After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to adopt the minutes of the 2018 Annual General Meeting of Shareholders held on Wednesday July 25, 2018, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and casting their votes
Approved	15,484,546	100.0000
Disapproved	0	0.0000
Abstained	342,500	Not counted in voting base
Total shares	15,484,546	100.0000

**Remark:** During the consideration of this agenda item, there were 10 additional shareholders that attended the meeting, holding 60,258 shares, thereby bringing the total number of attending shareholders/proxies to 63 persons representing 15,827,046 shares.

**Agenda No. 2 To acknowledge the report of operating results for year 2018**

The Chairman informed the meeting that, according to the Company's Articles of Association, the Board of Directors had prepared the Annual Report 2018 in QR code by Thailand Securities Depository Company Limited (TSD). TSD developed the system for the listed company in order to deliver the invitation to the Annual General Meeting of Shareholders and the annual report in the pattern of the electronic file as the QR code in order to enhance the performance and more convenience for the shareholders to reach the information easier than previous. In the meantime, the listed company is able to do the cost reduction and reduce paper consumption for save environment.

The Chairman then assigned Mr. Takenori Adachi, President of the Company, to present a summary report on the Company's performance in the fiscal year 2018 to the shareholders.

The President expressed his thanks to the attending shareholders and gave a power point presentation on the Company's operational overview for the year ended March 31, 2019, as follows:

- ❖ The Company's financial and operational highlights for the fiscal year 2018 as compared with a year earlier (ended March 31, 2018 and 2019) :
  - It posted a net profit of Baht 719 million in fiscal year 2017, comparing to fiscal year 2018 which was Baht 180 million representing a decreasing Baht 539 million or 75%. And revenue from sale of goods and rendering of services in fiscal year 2017 was Baht 8,632 million, comparing to fiscal year 2018 was Baht 7,960 million representing a decreasing Baht 672 million or 8%. The factors are as follow:
    - Exchange rate volatility; Baht appreciation comparing the previous year, the sales in export market decreased Baht 182 million.
    - More competitors penetrated the refrigerator Japan market, and the inventory's policy changing of the dealers caused the decline in the sales Baht 490 million.
  - Total revenue in the fiscal year 2017 was Baht 9,215 million, comparing to the fiscal year 2018 which was Baht 8,284 million, accounting for a decline of Baht 931 million or 10% due to the revenue from sale of goods and rendering of services decreased Baht 672 million and the investment decreased Baht 293 million.
  - Total assets in 2017 amounted to Baht 8,136 million comparing to the fiscal year 2018 Baht 6,947 million, a decline of Baht 1,190 million or 15%.

- Total liabilities decreased from the previous year Baht 32 million. And the shareholder's equity decreased from the previous year Baht 1,158 million
- ❖ Refer to comparison graph of the revenue from sale of goods and rendering of services 6 years. In the year 2018 had revenue from sale of goods and rendering of services Baht 7,960 million, a decline of Baht 672 million compare to the previous year, a net profit was Baht 180 million representing 2.3% as of the revenue from sale of goods and rendering of services.
- ❖ As regards the sales revenue structure by product line, 68% were derived from sales of refrigerators, 19% from electric fans and ventilating fans, and 12% from water pumps. Compare to the previous year, the proportion of the refrigerator business decreased due to the exchange rate volatility, and the sales in the Japan market decreased. In the meantime, the Company keep expanding the electric fans, ventilating fans, and water pump business. Although, the refrigerator business is in the tough situation the Company launched the new model in the second half of the previous year to accelerate the sales.
- ❖ The sales proportion by market comprising the proportion of the Japan market decreased as the Baht appreciation. Under this circumstance the Company still keep developing the new model in order to drive the sales.
- ❖ An analysis of the profit and loss for fiscal year 2017 versus fiscal year 2018 has shown a net profit decrease from Baht 719 million to Baht 180 million, with analytical details below:

Profit increase (decrease) (Million Baht)

Investment income	(293)
The fluctuation of foreign exchange	(182)
The sales decreased	(94)

The expenses control/Tax/The cost reduction activities

Profit increase (decrease) (Million Baht)

Raw material cost reduction and Value Engineering activities (VE)	(30)
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The Chairman thanked the President and informed the meeting that this agenda shall not be determined by votes since it was only a report for shareholders' acknowledgement.

**Resolution:** The meeting acknowledged the Company's report of operating results for 2018.

**Agenda No. 3 To consider and approve the annual financial statements 2018 year ended March 31, 2019**

The Chairman informed the meeting that, to comply with the Company's Articles of Association which require the Board to prepare balance sheets and statements of income as of the end of its fiscal years duly audited by the auditor to the AGM for consideration and approval, the Board deemed it expedient to propose for the shareholders' consideration and approval the Company's financial statements for the fiscal year ended March 31, 2019 duly audited by the auditor and reviewed by the Audit Committee. The President then provided the information to the meeting, details of which appeared in the Annual Report 2018 in the statement of financial position.

**Statement of financial position**

- Total assets as of March 31, 2019, was Baht 6,946 million decreased from last year Baht 1,190 million or 15% due to the Company did the share repurchase project in October 2018 which caused the current investment decreased. By withdrawing from fixed deposit Baht 1,200 million for the share repurchase project Baht 970 million.
- Total liabilities of the fiscal year 2018, was Baht 1,729 million decreased by Baht 32 million compared to the previous year.
- Total shareholders' equity of the year 2018, was Baht 5,217 million, decreased by Baht 1,158 million.

**Statement of cash flows**

- In the year 2017, the Company had cash flows Baht 223 million increased to Baht 343 million in the year 2018 from operating activities and the inventory management. Net cash from (used in) investing activities minus Baht 477 million. Due to the Company withdraw the money Baht 1,200 million for the share repurchase project. Cash flows from financing activities decreased from minus Baht 668 million to minus Baht 1,330 million due to the Company paid the dividend Baht 360 million and share repurchase project Baht 970 million. Thus, at March 2019 the Company had net cash and cash equivalents Baht 790 million which increased Baht 181 million from the previous year.

The Chairman then invited the shareholders to raise questions. Questions raised by the shareholders were as follows:

Question: **Mr. Basant Kumar Dugar**, a shareholder, suggested as below:

1. Admired that the Company has good financial management although there were many obstacles.
2. Suggest the Company to consider the growth ratio of the Company in every meeting. If cost of goods sold growth is less than revenue growth, then it's a good sign of improvement in margin of safety of the Company. Any expense growth more than revenue growth is not good for the Company, thus the directors should look into various growth ratios of the Company.

Answer: Mr. Praphad Phodhivorakhun, The Chairman, explained as follows:

1. The Company will consider all of the suggestions.

Question: **Mr. Chairat Srinarongsuk**, a shareholder, questioned as below:

1. What is the policy of the Company about the current investment?

Answer: Mr. Aniwat Sae-lim, company secretary explained as follows:

1. The Company will not operate on any investment that might cause the deduction in the capital, at the present, the Company has fixed deposits in financial institutions.

Question: **Mr. Channarong Krairisirikul**, a shareholder, questioned as below:

1. In the first quarter of FY 2019, will the Company receive the dividend from Mitsubishi Electric Consumer Product (Thailand) Co.,Ltd ? If yes how much would it be?

Answer: Mr. Praphad Phodhivorakhun, The Chairman, answered as follows:

1. The Company may not able to answer in details as it related to other company, however, Mitsubishi Electric Consumer Product (Thailand) Co.,Ltd has similarity as KYE that the majority income from exporting, thus, assume that the echange rate as Baht appreciation shall cause the business result as well.

Question: **Mr. Basant Kumar Dugar**, a shareholder, suggested as below:

1. Suggested the Company to re-evaluate the value of the assets according to the period that the company determines for accounting purposes.

Answer: Mr. Aniwat Sae-lim, company secretary answered as follows:

1. Thank you for the suggestion.

**Resolution:** After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to approve the financial statements for the year ended March 31, 2019 with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and casting their votes
Approved	15,427,968	100.0000
Disapproved	0	0.0000
Abstained	406,378	Not counted in voting base
Total shares	15,427,968	100.0000

**Remark:** During the consideration of this agenda item, there was 6 shareholder that attended the meeting in addition to those during agenda no. 2, holding 7,300 shares, thereby bringing the total number of attending shareholders to 69 persons representing 15,834,346 shares.

**Agenda No. 4 To consider and approve profit appropriation and annual dividend payment**

The Chairman reported to the meeting that the Company had a policy to pay dividend to the shareholders at approximately 50% of net profit after corporate income tax as presented in financial statements in which investments were accounted for by the equity method and subject to the Company's operating results and economic conditions. In fiscal year 2018, the Company posted a net profit after corporate income tax of Baht 180.1 million, and in view of the Company's financial position, it had retained earnings available for appropriation for dividend payment. After consideration, the Board of Directors deemed it appropriate to propose to the shareholders' meeting to consider and approve the annual profit appropriation for dividend payment at a rate of Baht 4.55 per share, totaling Baht 90.1 million which would represent 50.01% of the Company's net profit after corporate income tax, which would be in line with its dividend payment policy. The Company had determined the names of shareholders who were



eligible for dividend payment on Friday August 2, 2019 (record date) with the date of dividend payment scheduled for Thursday August 22, 2019.

Moreover, the individual shareholders who would gain the dividend in 2019, be able to credit a tax at the rate of 20%.

**Resolution:** After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to approve the profit appropriation and dividend payment from the 2018 operating results at a rate of Baht 4.55 per share, totaling Baht 90.1 million as proposed by the Chairman, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and casting their votes
Approved	15,834,346	100.0000
Disapproved	0	0.0000
Abstained	0	Not counted in voting base
Total shares	15,834,346	100.0000

**Agenda No. 5 To consider election of Directors in place of those retiring by rotation**

The Chairman informed the meeting that in accordance with Clause 15 of the Company's Articles of Association, stipulating that "at every annual general meeting of shareholders, one-third of Directors shall vacate office. If the number of vacating Directors cannot be equally divided into three, then the number nearest to one-third shall apply", five Directors shall retire by rotation at this AGM 2019 s follows;

1. Mr. Takenori Adachi
2. Mr. Manu Leopairote
3. Mr. Praphon Potivorakun
4. Mr. Yasumichi Tazunoki
5. Mr. Hirotaka Abo

Nomination and Remuneration Committee had considered the candidates to replace the full term of the directors. And resolved to propose to the AGM 2019 re-election of the four retiring Directors as

Directors for another term which are Mr. Takenori Adachi, Mr. Praphon Potivorakhun, Mr. Yasumichi Tazunoki, and Mr. Hirotaka Abo. Also considering to re-elect the independent director which is Mr. Manu Leopairote. In this regard, qualifications of Independent Directors were considered based on the definition of Independent Directors of companies. Profiles of the nominated persons were presented in the Enclosure 3 to the meeting notice duly sent to the shareholders to support their consideration. Which the Company has given the opportunity to the shareholders to nominate persons with appropriate qualifications to be appointed as directors of the company during 11 January - 12 March, 2019, but no shareholder nominated any person to be a director of the company.

The Chairman requested the meeting to cast votes on election of Directors in place of those retiring by rotation through a casting of votes for the individual Directors respectively.

**Resolution:** After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes to elect the five Directors due to retire by rotation, namely Mr. Takenori Adachi, Mr. Manu Lepairot, Mr. Praphon Potivorakun, Mr. Yasumichi Tazunoki, and Mr. Hirotake Abo to reappoint for another term, and to ensure transparency one director vote abstained in this agenda, with voting result of each of them as shown below:

Director name	Approved (As %)	Disapproved (As %)	Abstained Not counted in votin	Total shares (As %)
5.1 Mr. Takenori Adachi	15,758,368 (99.5202)	75,978 (0.4798)	0 -	15,834,346 (100.0000)
5.2 Mr. Manu Leopairote	15,833,446 (99.9943)	900 (0.0057)	0 -	15,834,346 (100.0000)
5.3 Mr. Praphon Potivorakun	15,725,223 (99.5192)	75,978 (0.4808)	33,145 -	15,801,201 (100.0000)
5.4 Mr. Yasumichi Tazunoki	15,758,368 (99.5202)	75,978 (0.4798)	0 -	15,834,346 (100.0000)
5.5 Mr. Hirotaka Abo	15,833,346 (99.9943)	900 (0.0057)	0 -	15,834,346 (100.0000)

**Remark:** After the meeting's resolution re-electing the five retiring Directors as Directors for another term, the Chairman invited all five Directors to return to the meeting room.

**Agenda No. 6 To consider and approve Directors' remuneration for fiscal year 2019 (April 2019-March 2020)**

The Chairman informed the meeting that the Nomination and Remuneration Committee has stipulated criteria for payment of Directors' remuneration commensurate to the duties and responsibilities assigned to them, and comparable to those of peers in the same industry, of the same size, and under the same circumstances. The Committee accordingly proposed to the Board of Directors for consideration and determination of Directors' remuneration for fiscal year 2019 at Baht 6,500,000, the same rate as in fiscal year 2018.

The Board of Directors deemed it appropriate to propose to the Shareholders' meeting to approve the Directors' remuneration for fiscal year 2019 in the form of retainer fee and meeting allowance in a total amount not exceeding Baht 6,500,000, the same rate as in fiscal year 2018

The Chairman then invited the shareholders to raise questions and voice their opinions.

**Question:** Mr. Basant Kumar Dugar, a shareholder, suggested as below:

1. Suggested to increase the remuneration for the directors.

**Answer:** Mr. Praphad Phodhivorakhun, The Chairman, answered as follows:

1. Thank you for the suggestion, however, as the current situation of the Company still not conducive to adjust the remuneration for the directors, the same rate would be appropriated.

**Question:** Mr. Channarong Krairisirikul, a shareholder, questioned as below:

1. Could be possible that the Company will pay the dividend by cash on hand?

**Answer:** Mr. Praphad Phodhivorakhun, The Chairman, answered as follows:

1. The Company is unable to do that due to the Company need to spare the money in order to invest in the development. The Company has been bringing the e-factory and wireless systems into the operation basis.

When there was no further question from the shareholders, the Chairman requested the meeting to cast votes on Directors' remuneration for fiscal year 2019.

**Resolution:** After consideration, the meeting resolved by affirmative votes of no less than two-thirds of the total number of votes of the Shareholders attending the meeting and having the right to

cast vote, to approve the Directors' remuneration for fiscal year 2019 in a total amount of not exceeding Baht 6,500,000 as proposed by the Chairman, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and having the right to cast vote.
Approved	15,834,346	100.0000
Disapproved	0	0.0000
Abstained	0	Not counted in voting base
Total shares	15,834,346	100.0000

**Agenda No. 7 To consider appointment of auditor and fixing of audit fee for fiscal year 2019**

The Chairman informed the meeting that, pursuant to the Public Limited Companies Act B.E. 2535, and the Company's Articles of Association, the annual general meeting of shareholders shall consider appointment of the Company's auditor and fixing of audit fee every year, and the same auditor may be re-appointed.

The Audit Committee considered and viewed that, as KPMG Phoomchai Audit Ltd. had consistently been the Company's auditor, with changes in certified public accountants regularly (every five years) in accordance with the Notification of the Capital Market Supervisory Committee and without any reasonable grounds for the change of auditor, the Committee accordingly proposed to the Board of Directors for consideration of the appointment of auditors from KPMG Phoomchai Audit Ltd. as the Company's auditor and fixing of audit fee for 2019.

1) Appointment of auditors from KPMG Phoomchai Audit Ltd. as the Company's auditor, with designation of any one of the following certified public accountants to examine and give opinions on the Company's financial statements:

- Ms. Sophit Prompol, Certified Public Accountant, Registration No. 10042 or
- Ms. Dussanee Yimsuwan, Certified Public Accountant, Registration No. 10235 or
- Ms. Pornthip Rimdusit, Certified Public Accountant, Registration No. 5565

The auditors who are offered to the position, would be able to give opinions regard to financial statement. Not involve and have no material business relation with the Company, associated company, management, major shareholders or any relative with mentioned people. Beside that these auditors also being auditor for Mitsubishi Electric Kang Yong Wattana Company limited which is sole sales company in Thailand in order to prevent any conflict in benefit.

- 2) Approving of audit fee for the year 2019 in the total amount of Baht 1,338,000 same as the previous year, which consistent with increasing workload aligned with the new accounting standard.

**Resolution:** After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to appoint the Company's auditor and determine the audit fee for 2019 as proposed by the Chairman, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and casting their votes
Approved	15,834,346	100.0000
Disapproved	0	0.0000
Abstained	0	Not counted in voting base
Total shares	15,834,346	100.0000

**Agenda No.8 Others**

The meeting adjourned at 03.35 p.m.

Mr. Praphad Phodhivorakhun  
Chairman of the Board of Directors  
Chairman of the Meeting

Mr. Aniwat Sae-Lim  
Corporate Secretary and Minutes Recorder