



บริษัท กังยงอีเลคทริก จำกัด (มหาชน)

KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

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A Group Company of



M.D. 089/2020

June 24, 2020

Subject: Invitation to the 2020 Annual General Meeting of Shareholders

To: Shareholders of Kang Yong Electric Public Company Limited

Enclosures:

1. Copy of the Minutes of the 2019 Annual General Meeting of Shareholders
2. Annual Report of the fiscal year 2019 (QR Code)
3. Profile of Candidates Nominated for Director Election to replace the Directors Retiring by rotation
4. Information on the auditors and the auditor fees for the fiscal year 2020
5. Registration Form (Please brought for registration on the meeting date)
6. Two Proxy Forms (Form A and Form B)
7. Definition of Independent Director and the criteria of Nomination of Directors
8. Profile of Independent Director as the Shareholders' Proxy
9. Evidence representing right to attend the meeting of Shareholders for the year 2020
10. Articles of Association of company involving Annual General Meeting of Shareholders
11. Criteria for submitting questions in advance for 2020 Annual General Meeting of Shareholders
12. Map of the venue for 2020 Annual General Meeting
13. Precautionary Measures to Prevent the Spread of Coronavirus Disease (COVID-19) in the Shareholders' Meeting of the Company
14. Covid-19 Screening Form

The Board of Directors of Kang Yong Electric Public Company Limited ("the Company" or "KYE") resolved to arrange the 2020 Annual General Meeting of Shareholders on Thursday July 23, 2020 02:00 p.m., Grand Hall 202-203 (GH 202-203), 2<sup>nd</sup> Floor, Bangkok International Trade and Exhibition Centre (BITEC), located at No. 88, Debaratna Road (km. 1), Bangna Tai, Bangna, Bangkok 10260.

For the agenda of the 2020 Annual General Meeting of Shareholders, the Company invited the shareholders to propose any agenda items in advance via the Company's website at [www.mitsubishi-kye.com](http://www.mitsubishi-kye.com) during January 10-March 10, 2020 but none of them proposed any other agenda items to the Company. Therefore, the Company would like to propose the agenda of the meeting as resolved by the Board of Directors as follows:

**Agenda No. 1 To adopt the minutes of the Annual General Meeting of Shareholders for the year 2019**

Objective and rationale: The Company prepared the minutes of the 2019 Annual General Meeting of Shareholders, held on Thursday July 25, 2019 and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the meeting date by the law, and also posted the minutes via the Company's website at [www.mitsubishi-kye.com](http://www.mitsubishi-kye.com) for the shareholders' information and examination as appropriate. No objection and correction was accordingly proposed by any shareholder.

/Board of Directors'.....

Board of Directors' opinion: It is deemed appropriate to propose the Annual General Meeting of Shareholders to consider adopting the minutes of the 2019 Annual General Meeting of Shareholders, since the Board of Directors had an opinion that the minutes of the meeting have been recorded correctly and completely taken. (Details are as presented in Enclosure No. 1)

Resolution: Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

**Agenda No. 2 To acknowledge the Board of Directors' report on the operational result for year 2019**

Objective and rationale: Pursuant to Article 35(1) of the Company's Articles of Association, it is stipulated that the Company shall prepare and submit a report of the Board of Directors for the shareholders' acknowledgement of the Company's operating results for 2019

Board of Directors' opinion: It is considered appropriate to propose to the Annual General Meeting of Shareholders for acknowledgement of the Company's operating results for the fiscal year ended March 31, 2020 which is appeared in the Annual Report 2019 under the topic, "Management's Discussion and Analysis". (Details are as presented in Enclosure No. 2)

Resolution: Since this agenda item is proposed for acknowledgement, thus no votes.

**Agenda No. 3 To consider and approve the annual financial statement 2019 year ended 31 March 2020**

Objective and rationale: Pursuant to Article 38 of the Company's Articles of Association, it is stipulated that the Board of Directors shall arrange for preparation of balance sheets and statements of income for the accounting period ended March 31, 2020 duly audited by the auditor, for submission to the annual general meeting of shareholders for consideration and approval. (Details are as presented in Enclosure No. 2 under the topic, "Financial Statements and Notes to the Financial Statements")

Board of Directors' opinion: It is deemed appropriate to propose to the Annual General Meeting of Shareholders for consideration and approval the Company's financial statements for the accounting year ended March 31, 2020 duly audited by the auditor, reviewed and considered accurate by the Audit Committee as appropriate in material aspects according to the generally accepted accounting standards.

Resolution: Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

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

Objective and rationale: Pursuant to Article 40 of the Company's Articles of Association, it is stipulated that the Company shall pay dividend when it could earn a profit. Therefore, the Company has a policy to pay dividend to the shareholders at a rate of approximately 50% of net profit after corporate income tax as shown on the financial statements in which the equity method is applied, depending however on the Company's performance and the economic condition.

Board of Directors' opinion: From its 2019 performance, the Company posted a net profit for the year of 621.3 million baht, It is deemed appropriate to propose to Annual General Meeting of Shareholder for consideration and approval the profit appropriation for dividend payment to the Company's shareholders at the rate of 15.70 baht per share, amounting to 310.9 million baht in total. The Record Date for determining names of shareholders with rights to receive the dividend payment is set to be Friday July 31, 2020 and the dividend payment is scheduled for Friday August 21, 2020.

Comparison of its performance and dividend payment rates in the past years

	2015	2016	2017	2018	Propose <b>2019</b>
Net profit (Mbaht)	841.9	1,335.8	719.3	180.1	<b>621.3</b>
Number of Shares (Mshares)	22.0	22.0	22.0	19.8	<b>19.8</b>
Dividend per share (Baht/Share)	19.14	30.36	16.35	4.55	<b>15.70</b>
Dividend Amount (Mbaht)	421.1	667.9	359.7	90.1	<b>310.9</b>
% of Net Profit	50.02%	50.00%	50.02%	50.01%	<b>50.03%</b>

Therefore, the shareholders who receive the dividend in 2020 will be entitlement to tax credit of 20%.

Resolution: Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

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

Objective and rationale: Pursuant to Article 15 of the Company's Articles of Association, it is stipulated that at every annual general meeting of shareholders, one-third of the total number of directors shall vacate office. At this annual general meeting, there are five directors retiring by rotation, namely

- |   |                       |                 |
|---|-----------------------|-----------------|
| 1 | Mr. Arthakrit         | Visudtibhan     |
| 2 | Mr. Akira             | Nakamichi       |
| 3 | Mr. Takeshi           | Oshima          |
| 4 | Mr. Tomohiko          | Kasai           |
| 5 | Assoc.Prof.Dr.Issaree | Hunsacharoonroj |

The Company invited the shareholders to nominate qualified candidates for election as the Company's directors in accordance with the criteria announced on the Company's and Stock Exchange of Thailand's websites during January 10 -March 10, 2020 but none of them proposed any candidates for election as the Company's directors.

Board of Directors' opinion: The Board of Directors, excluding directors with beneficial interests, has made consideration based on opinion of the Nomination and Remuneration Committee that the five retiring directors have knowledge, competence and experience in the Company's business, and throughout their directorship tenure, they have performed duties within their scope of authority , responsibilities and under good corporate governance principles, which are beneficial to the Company's business operations. It is therefore deemed appropriate to propose to the 2020 Annual General Meeting of Shareholders for consideration the appointment of the following persons as the Company's directors for another term:

- |   |                       |                 |                                  |
|---|-----------------------|-----------------|----------------------------------|
| 1 | Mr. Arthakrit         | Visudtibhan     | as director/independent director |
| 2 | Mr. Akira             | Nakamichi       | as director                      |
| 3 | Mr. Takeshi           | Oshima          | as director                      |
| 4 | Mr. Tomohiko          | Kasai           | as director                      |
| 5 | Assoc.Prof.Dr.Issaree | Hunsacharoonroj | as director                      |

(Profile of candidates nominated for director election and definition of independent directors are presented in Enclosure No. 3 and No.7 respectively)

/Resolution:.....

**Resolution:** Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

**Agenda No. 6 To consider and approve the directors' remuneration of fiscal year 2020**

**Objective and rationale:** Pursuant to Article 29 of the Company's Articles of Association, it is stipulated that the directors shall be entitled to receive remuneration from the Company as to be approved by the shareholders' meeting.

**Board of Directors' opinion:** It is deemed appropriate to propose to the Annual General Meeting of Shareholders for consideration and approval the remuneration for the Company's directors for fiscal 2020 in the form of monthly retainer fee and meeting allowance at the same rate as 2019, i.e. within a limit of 6,500,000 baht, for the Board of Directors and Board committees, as proposed by the Nomination and Remuneration Committee based on through consideration on all appropriate factors and comparison with peer companies in a similar type of industry and with about the same business scale, and the overall business environment, the detail as below:

	BOD			AC		NRC		PPC	
	Chairman	ViceChairman	Director	Chairman	Director	Chairman	Director	Chairman	Director
Retainer fee (per month)	15,000	13,000	10,000	15,000	10,000	9,000	6,000	-	-
Meeting allowance (per time)	42,000	36,000	30,000	47,000	32,000	32,000	22,000	37,000	27,000

Unit:Baht

**Resolution:** Required to be approved by a vote not less than two-thirds of the total number of votes of the shareholders who attend the meeting and cast their votes.

**Agenda No. 7 To consider the appointment of auditors and fix of audit fee of fiscal year 2020**

**Objective and rationale:** Pursuant to Article 35(5) of the Company's Articles of Association, it is stipulated that the annual general meeting of shareholders shall appoint an auditor and fix the audit fee on a yearly basis.

**Board of Directors' opinion:** The Board of Directors, through the scrutiny by the Audit Committee, deems it appropriate to propose to the Annual General Meeting of Shareholders the appointment of certified public accountants the auditor, KPMG Phoomchai Audit Ltd., with any of the following to perform duty as the Company's auditor for 2020:

1. Ms. Sophit Prompol Registration No. 10042 or
2. Ms. Pornthip Rimdusit Registration No. 5565 or
3. Ms. Kanokorn Phooripanyawanit Registration No. 10512

The proposed auditors are independent in conducting audit work and expressing opinion on the financial statements. They do not have any relationship or conflict of interest with the Company, its associated companies, executives, major shareholders or their related persons. They also serve as auditors for Mitsubishi Electric Kang Yong Watana Co., Ltd., which is the Company's sole distributor in Thailand, in order to eradicate a conflict of interest. Moreover, the Board of Directors deems it appropriate to propose to the Annual General Meeting of Shareholders for consideration and approval the audit fee for 2020 in the total amount of 1,338,000 baht (Detail are as presented in Enclosure No. 4)

/Resolution:.....

Resolution: Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

**Agenda No. 8 To consider other businesses (if any)**

**Schedule of the 2020 Annual General Meeting of Shareholders**

01:00 - 02:00 p.m. Registration for the meeting by the shareholders and/or proxies and examination of proxy assignment documents.

The Company would like to recommend that all shareholders and/or proxies study the conditions of meeting registration and proxy assignment as provided in Enclosure No. 9 For more convenience in the registration, the shareholders and/or proxies are recommended to bring and present the documents and evidence indicated in Enclosure No.5 and No.6 for registration on the meeting date.

Remark: In case of shareholders who are foreign investors and have appointed a custodian in Thailand to attend the meeting on your behalf, please use Proxy Form C, which is downloadable from our website at [www.mitsubishi-kye.com](http://www.mitsubishi-kye.com).

For shareholders who wish to assign any of our independent directors as your proxy (details are given in Enclosure No.8), please send the Proxy Form and other required documents to the Company's Corporate Strategic Planning Office no later than Friday July 17, 2020 so that we could coordinate with the assigned independent directors.

02:00 p.m. Start of the 2020 Annual General Meeting of Shareholders.

In addition, the shareholders who would like to raise questions or give comments regarding significant issues on the agenda may send your questions and/or comments before the meeting to the Company by post and/or through E-mail: [information@kye.meap.com](mailto:information@kye.meap.com) and/or facsimile no. 02-337-2439 - 40 no later than Friday July 17, 2020

You are cordially invited to attend the meeting at the time and the venue indicated above.

Yours sincerely,



(Mr. Takenori Adachi)

Vice Chairman of the Board of Directors