



บริษัท กังยงอีเลคทริก จำกัด (มหาชน)

KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

67 หมู่ 11 ถ.เทพรัตน กม.20 ต.บางโฉลง อ.บางพลี จ.สมุทรปราการ 10540

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A Group Company of



M.D. 064/2023

June 16, 2023

Subject: Invitation to the 2023 Annual General Meeting of Shareholders

To: Shareholders of Kang Yong Electric Public Company Limited

- Enclosures:
1. Copy of the Minutes of the 2022 Annual General Meeting of Shareholders
  2. Annual Report of the fiscal year 2022 (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 2023
  5. Information on the Connected Transaction for product development fee
  6. Opinion of Audit Committee on Connected Transaction
  7. Opinion of Independent Financial Advisor on Connected Transaction
  8. Document and evidence required for meeting attendance and proxy granting
  9. Two Proxy Forms (Form A and Form B)
  10. Definition of Independent Director and the criteria of Nomination of Directors
  11. Profile of Independent Director as the Shareholders' Proxy
  12. Evidence representing right to attend the meeting of Shareholders for the year 2023
  13. Articles of Association of company involving Annual General Meeting of Shareholders
  14. Criteria for submitting questions in advance for 2023 Annual General Meeting of Shareholder's
  15. Map of the venue for broadcasting of the Annual General Meeting of Shareholders
  16. Personal Data Protection Notice for the Shareholder Meeting
  17. Manual for attendance of electronic meeting (E-AGM)

The Board of Directors of Kang Yong Electric Public Company Limited ("the Company" or "KYE") resolved to arrange the 2022 Annual General Meeting of Shareholders on Wednesday July 26, 2023 02:00 p.m., in the form of electronic meeting (E-AGM) only one format. In accordance with the regulations stipulated by law regarding electronic conferencing (E-Meeting) with a place to control the meeting system and broadcast live at meeting room 121, Kang Yong Electric Public Company Limited, located at No.67 Moo 11, Debaratna Road Km. 20, Bangchalong, Bangplee, Samutprakarn 10540.

For the agenda of the 2023 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 18 - March 18, 2023 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.....

**Agenda No. 1 To acknowledge the Board of Directors' report on the operational result for year 2022**

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 2022 which the company has sent in the form of a QR code.

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, 2023 which is appeared in the Annual Report 2022 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. 2 To consider and approve the annual financial statement 2022 year ended 31 March 2023**

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, 2023 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, 2023 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. 3 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 2022 performance, the Company posted a net profit for the year of 159.6 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 4.10 baht per share, amounting to 81.2 million baht in total. The Record Date for determining names of shareholders with rights to receive

/ the dividend payment.....

the dividend payment is set to be Friday August 4, 2023 and the dividend payment is scheduled for Tuesday August 22, 2023.

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

| Fiscal Year                     | 2018   | 2019   | 2020   | 2021   | 2022          |
|---------------------------------|--------|--------|--------|--------|---------------|
| Net profit (M.baht)             | 180.1  | 621.3  | 998.3  | 337.1  | <b>159.6</b>  |
| Number of Shares (M.shares)     | 19.8   | 19.8   | 19.8   | 19.8   | <b>19.8</b>   |
| Dividend per share (Baht/Share) | 4.55   | 15.70  | 25.25  | 8.55   | <b>4.10</b>   |
| Dividend Amount (M.baht)        | 90.1   | 310.9  | 500.0  | 169.3  | <b>81.2</b>   |
| % of Net Profit                 | 50.01% | 50.03% | 50.08% | 50.23% | <b>50.87%</b> |

Therefore, the shareholders who receive the dividend in 2023 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. 4 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 four directors retiring by rotation, namely

1. Mr. Arthakrit Visudtibhan
2. Mr. Kunihiko Seki
3. Mr. Tatsuo Ono
4. Mr. Yasuhito Negishi

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 18 - March 18, 2023 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 four 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 2023 Annual General Meeting of Shareholders for consideration the appointment of the following persons as the Company's directors for another term:

/ 1. Mr. Arthakrit.....

1. Mr. Arthakrit            Visudtibhan        as director/independent director
2. Mr. Kunihiko           Seki                    as director
3. Mr. Tatsuo                Ono                    as director
4. Mr. Yasuhito            Negishi                as director

(Profile of candidates nominated for director election and definition of independent directors are presented in Enclosure No. 3 and No.10 respectively)

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 and approve the directors' remuneration of fiscal year 2023**

Objective and rationale: 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 2023 in the form of monthly retainer fee and meeting allowance at the same rate as 2022, 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

Unit: Baht

|                              | BOD      |               |          | A/C      |        | NRC      |        | PPC      |        |
|------------------------------|----------|---------------|----------|----------|--------|----------|--------|----------|--------|
|                              | Chairman | Vice Chairman | Director | Chairman | Member | Chairman | Member | Chairman | Member |
| 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 |

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. 6 To consider the appointment of auditors and fix of audit fee of fiscal year 2023**

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 2023:

/ 1. Ms. Sophit .....

- |                 |                  |                           |
|-----------------|------------------|---------------------------|
| 1. Ms. Sophit   | Prompol          | Registration No. 10042 or |
| 2. Ms. Pornthip | Rimduisit        | 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 2023 in the total amount of 1,474,000 baht, (Detail are as presented in Enclosure No. 4)

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

**Agenda No. 7 To consider and approve the connected transaction for product development fee**

This transaction was classified as supporting normal business transaction by not carrying on general trading conditions. The Company entered into the Technical Assistance Agreement with MELCO as a major shareholder of the Company on April 26, 1979. Base on such agreement, the Company is granted a right to manufacture and sales electric homes appliance under "Mitsubishi Electric" trademark, and MELCO also provides technical assistance, manufacturing technology and undertake development for new products the Company is obligation to pay development fee by the actual costs, comprised of raw material cost, testing cost cannot be accurately identified at present. The total value of the transaction size is in excess of 3% NTA and more than Baht 20 million.

The product development fee payment transaction size within the period of April 1, 2019- March 31, 2024 (Fiscal year 2019-2024) which will be based on the actual costs cannot be accurately identified at present. The total value sale of goods and rendering of service of the Company's financial statement of each year.

For the year 2024-2029, The Board of Directors' Meeting has resolved to propose the Annual General Meeting of Shareholder 2018 to approve the products development fee to MELCO not exceed 4% of the revenue from sale of goods and rendering of services of the Company's financial statement of each years.

Objective and rationale: To maintain business continuity. Because product development critical to business operations and help enhance the market competitiveness. Include helping increase revenue from sales and maintain market share.

Board of Directors' opinion: The aforementioned transaction being excised reasonable and beneficially to the Company since the transaction will support in value enhancing to the Company by increasing in sales and lowering the investment cost in research and development department. In addition, the price and terms and conditions of the transaction are fair due to reserch and development expense to total revenues ratio in line with the average in the same industry. (Detail are as presented in Enclosure No. 5, 6, 7)

/ Resolution:.....

Resolution: Required to be approved by at least three-fourth vote of total attending shareholders and having voting right, excluding interested shareholders' equity and directors who is related person.

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

**Schedule of the 2023 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 through the following channels:

1. By mail : Corporate Secretary

Kang Yong Electric Public Company Limited

No.67 Moo 11, Debaratna Road Km. 20, Banchalong, Bangplee,

Samutprakarn 10540

2. E-Mail : [information@kye.meap.com](mailto:information@kye.meap.com)

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 Monday July 17, 2023 so that we could coordinate with the assigned independent directors.

02:00 p.m. Start of the 2023 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. 02-337-2440 no later than Monday July 17, 2023

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

Yours sincerely,



Keiji Oya

Vice Chairman of the Board of Directors

Corporate Strategic Planning Office  
Tel. 02-337-2900 ext. 1150