



No. M.D. 245/2018

November 9, 2018

Subject: Notification of quarter 2/2018 operating results and financial position
To: The President of The Stock Exchange of Thailand

With reference to Kang Yong Electric Public Company Limited's submission of financial statements for quarter 2/2018 (July 2018 – September 2018) duly reviewed by a certified public accountant, we would like to give clarification on the Company's operating results and financial position as follows:

Summary of operating results for quarter two ended September 30, 2018, in comparison with operating results for the corresponding period ended September 30, 2017:

Highlights on Quarter 2-2018 Operating results

Unit: Baht million	Q2/18		Q2/17		Q1/18		% Change	
	Amount	%	Amount	%	Amount	%	Q2/18vsQ2/17	Q2/18vsQ1/18
Revenue from sales and services	2,036	100	2,103	100	1,987	100	(3.2)	2.5
Gross profit	244	12.0	399	19.0	249	12.5	(38.9)	(1.8)
Net profit	26	1.3	409	19.5	32	1.6	(93.6)	19.2
Earning per share (Baht)	1.18		18.61		1.47			

Net profit in quarter 2/2018 is Baht 26 million, compare to quarter 2/2017 decreases Baht 383 million due to the following:

- Interest received and dividends received decrease Baht 217 million.
- Gross profit declines Baht 155 million.
- Distribution costs increase Baht61 million.

Gross profit in quarter 2/2018 is Baht 244 million or 12% of revenues from sales and services, which decreased from 19% recorded in quarter 2/2017. Mainly reasons from the decrease of refrigerator's sales of the Japan market, the Vietnam market and New Zealand market, the fluctuation of an exchange rate, the increase of cost of plastic, aluminum and copper.

Distribution costs of the Company in quarter 2/2018 is Baht 148 million, increased Baht 61 million compare with quarter 2/2017, the increase from after service expenses and provision for warranties increased. To encourage the end users' confidence to use the Company's products, in August 2018 the Company did announce "the Ceiling fan voluntary service" to check, repair and the adding some parts for free. Thus, after



service expenses and provision for warranties increased. Also, in quarter 2/2018 the advertising expenses increased Baht 5 million compared with quarter 2/2017.

Net profit in quarter 2/2018 is Baht 26 million or 1.3% of revenue from sales of goods and rendering of services decreasing from 19.5% of quarter 2/2017 as the three mentioned reasons. As a result, earning per shares decrease from 18.61 Baht per share in quarter 2/2017 to 1.18 Baht per share in quarter 2/2018.

Summary of financial position

Unit: Baht million	Sept 30, 18	Mar 31, 18	% Change
Cash and cash equivalents and Current investments	3,922	3,909	0.3
Trade accounts receivable and other receivables	1,056	1,352	(21.9)
Inventories	844	1,046	(19.3)
Property, plant and equipment	1,446	1,463	(1.2)
Others	371	366	1.4
Total assets	7,639	8,136	(6.1)
Trade accounts payable and other payables	1,159	1,395	(16.9)
Others	407	366	11.2
Total liabilities	1,566	1,761	(11.1)
Shareholders' equity	6,073	6,375	(4.7)
Total liabilities and shareholders' equity	7,639	8,136	(6.1)

Total assets

As of September 30, 2018, the Company had total assets of Baht 7,639 million, declining from March 31, 2018, by Baht 497 million or 6.1%, with changes in core asset items as below:

- Trade accounts receivable and other receivables decline Baht 296 million or 21.9%. Trade accounts receivable as of September 30, 2018, amounted to Baht 996 million, decreased by Baht 293 million from March 31, 2018, mainly from sales decrease.
- Inventories as of September 30, 2018, amounted to Baht 844 million, decreasing by Baht 202 million or 19.3 %, mostly from the decline of the reservation of materials and parts due to the decrease in production.



Total liabilities

As of September 30, 2018, the Company had total liabilities of Baht 1,566 million, falling by Baht 195 million or 11.1% from March 31, 2018. Trade accounts payable and other payables as of September 30, 2018, accounted for Baht 1,159 million, down by Baht 236 million or 16.9 % as resulted from the Baht 222 million declines in accounts payable consistent with the decrease in production and the reduction in other payable by Baht 14 million.


Shareholders' equity

As of September 30, 2018, the Company had shareholders' equity of Baht 6,073 million, a Baht 302 million or 4.7% drop from March 31, 2018, contributed by the Baht 57.8 million profit in the first six months and dividend payment of Baht 359.7 million in August 2018 at the rate of Baht 16.35 per share as resolved by the shareholders' meeting on July 25, 2018.

This is for your information.

Yours sincerely,




(Mr. Praphad Phodhivorakhun)
Chairman of the Board of Directors


(Mr. Takenori Adachi)
President