

M.D. 056/2019

February 13, 2019

Subject: Notification of quarter 3/2018 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 3/2018 (October 2018 – December 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 3 ended December 31, 2018 in comparison with operating results for the corresponding period ended December 31, 2017:

#### Highlights on Quarter 3-2018 Operating results

Unit: Baht million	Q3/18		Q3/17		Q2/18		% Change	
	Amount	%	Amount	%	Amount	%	Q3/18vsQ3/17	Q3/18vsQ2/18
Revenue from sales and services	1,478	100	1,684	100	2,036	100	(12.2)	(27.4)
Gross profit	130	8.8	270	16.0	244	12.0	(52.0)	(46.9)
Net profit	40	2.7	214	12.7	26	1.3	(81.2)	(54.7)
Earning per share (Baht)	<b>1.98</b>		<b>9.74</b>		<b>1.18</b>			

The Company posted the net profit in the 3<sup>rd</sup> quarter of Baht 40 million, decrease Baht 174 million by comparing to the same quarter in the last year which amounted Baht 214 million as the following issues:

- Gross profit decreased Baht 140 million.
- Interest income and dividend decreased Baht 63 million due to dividend income decreased Baht 64 million.

The Gross profit in the 3<sup>rd</sup> quarter of the fiscal year 2018 amounted Baht 130 million or 8.8% of revenue from the sale of goods and rendering of services decreased from 16% in the same quarter of the previous year. Due to the sales of the refrigerator in the Japan market and the sales of the water pump in the domestic market decreased caused by the affectation of the exchange rate, cost of plastic material and copper have risen.

The cost of distribution of the company In the 3<sup>rd</sup> quarter of 2018, there were Baht 85 million, an increase of Baht 9 million compared to the same quarter of the previous year, caused by increased of the export expenses.



Net profit of the 3<sup>rd</sup> quarter of 2018 amounted to Baht 40 million or 2.7% of revenue from the sale of goods and rendering of services, decreased from 12.7 % of the same quarter of 2017, with various reasons as mentioned above. Therefore, earnings per share decreased from 9.74 baht per share in the 3<sup>rd</sup> quarter of last year to 1.98 baht per share in this quarter.

#### Summary of financial position

Unit: Baht million	Dec 31, 18	Mar 31, 18	% Change
Cash and cash equivalents and Current investments	2,669	3,909	(31.7)
Trade accounts receivable and other receivables	992	1,352	(26.6)
Inventories	1,044	1,046	(0.2)
Property, plant and equipment	1,450	1,463	(0.9)
Others	375	366	2.5
<b>Total assets</b>	<b>6,530</b>	<b>8,136</b>	<b>(19.7)</b>
Trade accounts payable and other payables	987	1,395	(29.2)
Others	401	366	9.6
<b>Total liabilities</b>	<b>1,388</b>	<b>1,761</b>	<b>(21.2)</b>
<b>Shareholders' equity</b>	<b>5,142</b>	<b>6,375</b>	<b>(19.3)</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,530</b>	<b>8,136</b>	<b>(19.7)</b>

#### Total assets

As of December 31, 2018, the Company had total assets of Baht 6,530 million, declining from a Baht 8,136 million as of March 31, 2018, by Baht 1,606 million or 19.7%, with changes in core asset items as below:

- Cash, cash equivalents and current investments as of December 31, 2018, amounted to Baht 2,669 million, a decrease of Baht 1,240 million from March 31, 2018, which amounted to Baht 3,909 million caused by in October 2018, the company has brought cash to repurchase shares from shareholders in general in case of financial management by buying back shares of 2.2 million shares in the amount of 970 million baht.
- Trade accounts receivable and other receivables as of December 31, 2018, amounted to Baht 992 million, decreased by Baht 360 million or 26.6%. Trade accounts receivable as of December 31, 2018, accounted for Baht 813 million, down by Baht 476 million from March 31, 2018, mainly from the sales decrease by comparing with March 2018.



### Total liabilities

As of December 31, 2018, the Company had total liabilities of Baht 1,388 million, falling by Baht 373 million or 21.2% from March 31, 2018. Trade accounts payables and other payables as of December 31, 2018, of Baht 987 million. Falling by a Baht 408 million or 29.9% decrease from Trade accounts payable a Baht 246 million conform to the reduction of the production and other payable decreases a Baht 162 million, caused by accounts payable for royalty decrease a Baht 71 million and bonuses decreased a Baht 34 million which decreased according to the period of accounting records.

### Shareholders' equity

As of December 31, 2018, the Company had shareholders' equity of Baht 5,142 million, decreased Baht 1,233 million or 19.3% as of March 31, 2018, contributed by:

- Share capital repurchase in October 2018 of a Baht 970.4 million. (Share repurchase from general shareholders in case of financial management)
- Earnings for total comprehensive capital for the nine-month period of 96.5 million baht. In addition, in August 2018, the Company paid dividends to shareholders in the amount of 359.7 million baht at the rate of 16.35 baht per share as at the shareholders' meeting as at 25 July 2018 resolved to approve.

This is for your information.

Yours sincerely,



(Mr. Praphad Phodhivorakhun)

Chairman of the Board of Directors

(Mr. Takenori Adachi)

President