



บริษัท กัณยงอีเลคทริก จำกัด (มหาชน)

KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

67 หมู่ 11 ถ.เทพรัตน์ กม.20 ต.บางไผ่ อ.บางพลี จ.สมุทรปราการ 10540

67 Moo 11, Debaratna Road km.20, Bangchalong, Bangplee, Samutprakan 10540

Tel : +66-2-337-2900 Fax : +66-2-337-2439-40

URL : http://www.mitsubishi-kye.com

A Group Company of



M.D. 219/2019

November 15, 2019

Subject : Disclosure of the information connected transaction (Revised)

To : President of the Stock of Exchange of Thailand

Kang Yong Electric Public Company Limited hereby notify that the resolution of Board of Director's meeting No.3/2019, consider and approve the company entering into the connected transactions relating asset or service. The detail as following:-

Information on Connected Transactions relating asset or service

(investment in new die of press part of motor of Electric Fan)

- | | | |
|---------------------|---|---|
| 1) Transaction date | : | December 2019 – December 2020 |
| 2) Connected Buyer | : | Kang Yong Electric Public Company Limited (KYE) |
| Parties Seller | : | Mitsubishi Electric Trading Corporation (MT) |

3) Nature of the Transactions

Investment in assets of molds and die categories for component parts of Electric Fan and exhaust fan for improving product performance and cost. As specification requirement such parts, it must be high precision. KYE cannot supply local manufacturers as such specification. It is necessary to let Mitsubishi Electric Corporation – Nakatsugawa (MELNAKA), who design and develops mold by buying through MT.

4) Total value of the transaction

Total amount Baht 19,490,223 Baht (1 Yen = 0.282467 Baht) or 0.38% of NTA (NTA as of June 30, 2019 = Baht 5,086,507,866)

The size of the transaction that is medium size, it is exceed 0.03% but not exceed 3% of NTA, pursuant the Notification of the Board of Governors of The Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies concerning connected transactions B.E.2546. KYE must take following actions:-

- Seek approval from the Board of Directors' meeting.
- Report and disclosure of information of this transaction to the SET



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The Transaction is deemed to be an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as an Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (the “Acquisition or Disposal Notifications”), with a transaction size equivalent to 0.2937 percent (calculated based on total value of Consideration paid or received that compared the total assets of listed company as of June 30, 2019= Baht 6,637,114,400) which is lower than 15 percent, and as such, the Transaction size is considered not significant pursuant to the Acquisition or Disposal Notifications.

5) Scope of Interests of Connected Persons

1) Mitsubishi Electric Corporation (Melco) holds 9,048,020 shares or 45.698 % of the registered and paid-up capital of KYE

2) Mitsubishi Electric Trading Corporation (MT) is subsidiary company of KYE’s parent (MELCO holds 95.8 % of shares)

6) Funding Source

Working capital

7) Directors who was related person – did not attend nor cast votes at this agenda.

<u>Name</u>	<u>Relevant</u>	<u>Hold KYE shares</u>
1. Mr. Takenori Adachi	Directors who are related person	None
2. Mr. Akira Nakamichi		None
3. Mr. Hirotaka Abo		None
4. Mr. Takeshi Oshima	Directors who are representative of major shareholders	None
5. Mr. Yasumichi Tazunoki		None
6. Mr. Tomohiko Kasai		None

8) Reasonableness of transaction

1. The requirement and attribution of mold is designed and developed by MELNAKA. Therefore, it must be purchased the mold through MT due to MELNAKA is controller of the attribution of new mold production with “Mitsubishi Electric” Technology. This connected transactions is a reasonableness for purchasing.

2. When considering the return from the investment, it is able to reduce the quality problems and production costs = 15,589,000 baht / year (ROI 1.3 years)



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9) Opinion of the Board of Directors and Audit Committee

- To agree with the entering into connected transactions to improve the quality and production cost for respond to the customer needs and good return from the investment

- Opinion of the Board of Directors and Audit Committee which is different -None -

Yours Sincerely,

Mr. Takenori Adachi

President

Corporate Strategic Planning Office

Tel: 0-2337-2900 ext. 1120, 1150