



M.D. 118/2021

November 11, 2021

Subject: Notification of quarter 2/2021 operating results and financial position

To: President of the Stock Exchange of Thailand

With reference to Kang Yong Electric Public Company Limited's submission of financial statements for quarter 2/2021 (July 2021 – September 2021) duly reviewed by a certified public accountant, we would like to give clarification on the Company's operating results and financial position as follows:

Highlights: 2nd quarter of FY 2021 Operating results.

Unit: Baht million	2nd quarter		2nd quarter		1st quarter		% Change	
	FY 2021		FY 2020		FY 2021		(YoY)	(QoQ)
Revenue from sales and services	1,213	100%	2,203	100%	2,279	100%	-44.9%	-46.8%
Gross profit	24	2.0%	491	22.3%	404	17.7%	-95.1%	-94.0%
Net profit	105	8.6%	526	23.9%	145	6.4%	-80.0%	-27.5%
Earning per share (Baht)	5.30		26.55		7.31			

Significant changes

COVID-19 pandemic situation in Thailand became severe, especially in Bangkok and vicinity provinces, in which the Company's employees were also affected. The Company has to come up with strict preventive measures to maintain employees' health and prevent the spread of the virus, such as finding high-risk persons and keeping distance in the production line or social distancing, resulting in a drastic decline in productivity. As a result, production and delivery volumes were significantly low, and the Company had not enough products to sell during the past second quarter. Nevertheless, the Company has resumed ordinary production since September for fan and water pump products and in October for refrigerator products. The Company continues to carry out measures to prevent the spread of the virus continuously while closely monitoring the pandemic situation that might impact on the Company's operations.

Revenue from sales of goods and rendering service

Revenue from sales of goods and rendering services for the second quarter of 2021 was 1,213 million baht, decreased by 990 million baht or 44.9% from the same quarter of last year and decreased by 1,066 million baht or 46.8% from the previous quarter. All products were affected by the COVID-19 pandemic.

Gross profit margin

Gross profit margin in the second quarter of 2021 was 24 million baht, decreased by 467 million baht or 95.1% from the same quarter of last year and decreased by 380 million baht or 94% from the previous year quarter. Gross profit margin decreased due to the decline of sales volume and parts and material price up.



Net Profit

The net profit for the second quarter of 2021 was 105 million baht, decreased by 421 million baht from the same quarter of last year due to the gross profit declining 467 million baht. However, selling expenses and administrative expenses improved by 31 million baht. Income from investment activities decreased by 76 million baht. Gain from exchange rate volatility was 8 million baht.

Net profit for the second quarter of 2021 was 105 million baht, decreased by 40 million baht from the previous quarter due to the declined sales amount, which decreased gross profit by 380 million baht. However, selling expenses and administrative expenses decreased by 32 million baht, income from investment activities increased by 243 million baht, and gain from exchange rate volatility was 5 million baht.

Highlights of Financial Position

Unit: Baht million	Sep 30, 21	Mar 31, 21	% Change
Cash and cash equivalents	1,292	756	70.9%
Other current financial assets	3,020	3,600	-16.1%
Trade accounts receivables and Other receivables	535	1,122	-52.3%
Inventories	899	769	16.9%
Value added tax refundable	45	33	36.4%
Other current assets	104	106	-1.9%
Total current assets	5,895	6,386	-7.7%
Other non-current financial assets	2,509	2,607	-3.8%
Property, plant and equipment	1,443	1,465	-1.5%
Other non-current assets	84	85	-1.2%
Total non-current assets	4,036	4,157	-2.9%
Total assets	9,931	10,543	-5.8%
Trade accounts payables and Other payables	1,025	1,240	-17.3%
Deferred tax liabilities	393	412	-4.6%
Non-current provisions for employee benefits	313	305	2.6%
Other liabilities	138	195	-29.2%
Total liabilities	1,869	2,152	-13.2%
Total equity	8,062	8,391	-3.9%
Total liabilities and equity	9,931	10,543	-5.8%



Total Assets

As of 30 September 2021, the Company had total assets of 9,931 million baht, decreasing from 31 March, 2021 by 612 million baht or -5.8%, with changes in core asset items as below:

- Cash and cash equivalents was 1,292 million baht, an increase of 536 million baht or 70.9% due to less significant amount of fixed deposits.
- Other current assets was 3,020 million baht, a decrease of 580 million baht or -16.1% which were short-term deposits with financial institutions.
- Trade accounts receivable and other receivables was 535 million baht, a decrease of 587 million baht or -52.3%. Trade accounts receivable as of 30 September 2021 was 518 million baht, decreased by 578 million baht from 31 March 2021.
- Other non-current assets was 2,509 million baht, decreased by 98 million baht or -3.8% compared to 31 March 2021 due to the fair value adjustment of other investments.

Total liabilities

As of 30 September 2021, the Company had total liabilities of 1,869 million baht, a declining of 283 million baht or -13.2% compared to 31 March 2021. The significant changes are as below:

- Trade accounts payable and other payables was 1,025 million baht, a decrease of 215 million baht or -3.6%
- Other liabilities as of 30 September 2021 was 138 million baht, decreased by 57 million baht or -29.2% from 31 March 2021 due to corporate income tax accrued decreased by 56 million baht.

Shareholders' equity

As of 30 September 2021, the Company shareholders' equity was 8,062 million baht, a decrease of 329 million baht or -3.9% compared to 31 March 2021. The shareholders' equity increased by profits in the past 6 months. In addition, in August 2021, the Company paid dividends to shareholders in the amount of 500 million baht, at the rate of 25.25 baht per share, according to the shareholders' meeting on 22 July 2021.

This is for your information.

Yours sincerely,

Takenori Adachi

President