



บริษัท กังยงอีเลคทริก จำกัด (มหาชน)

KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

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

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

A Group Company of



M.D. 018/2022

10 February 2022

Subject : Disclosure of the information connected transaction

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.4/2021, Thursday 10 February 2022, considered and approved the company entering into the connected transactions The detail as following: -

#### **A. Short term loans to related party**

1. **Transaction Date** : 1 April 2022 - 31 March 2023

2. **Connected Parties** : Loan Provider: Kang Yong Electric Public Company Limited --> KYE

Loan Receiver: Melco Thai Capital Company Limited --> MTC

3. **Character of Transaction** :

KYE entered into the Thai Baht Pooling Service Agreement with MTC whereby

MTC : Agree to provide management service relating to Thai Baht current account of the Company

KYE : Obligate to pay or earn interest at the rate and method agreed upon by the contract.

4. **Total Value of Transaction** : [Net tangible asset (NTA) ended 31 December 2021 = Baht 8,015.4 million] Value of loan receivable Baht 98.4 million by cash deposit with MTC average interest rate 0.54%/year makes transaction of total loan receivable amount including interest receive at Baht 95 million.

This transaction follows the Notification of the Board of Governors of The Stock Exchange of Thailand involving Disclosure of Information and other Acts of Listed Companies concerning the connected transactions B.E.2546, which the operations are categorized as provision or receipt of financial assistance transaction, it is not exceed Baht 100 million or 3% of NTA whichever is lower. Therefore, KYE has proposed this transaction to the board of directors for approval and disclose the information to the Stock Exchange of Thailand according to regulation.

5. **Scope of interests of Connected persons** :

KYE and MTC has joint major shareholders as follows: -

1. Mitsubishi Electric Corporation holds 9,048,020 shares or 45.70% of the share in KYE

2. Mitsubishi Electric Corporation holds 192,994 shares or 99.99% of the share in MTC

6. **Funding Source** :

Working capital.

/7. Directors who was related person.....



7. Directors who was related person / in with conflict of interests did not attend nor cast votes at this agenda :

Name	Relevant	Shares holding
1. Mr. Takenori Adachi	Directors who are related person	None
2. Mr. Akira Nakamichi		None
3. Mr. Hitoshi Maruyama		None
4. Mr. Takeshi Oshima	Directors who are representative of major shareholders	None
5. Mr. Kenichiro Fujimoto		None
6. Mr. Tatsuo Ono		None

8. Connected Transaction Reason :

1. According to this assessment, not only cash flow management will be better including the interest rate of saving account are better than commercial bank. (Interest rate E/Dec21 --> MTC 0.77%, Commercial Bank 0.25%)

2. MTC has been proficient and experienced in financial management for many companies in Mitsubishi Electric Group in Thailand for the past 15 years.

9. Opinion of the Board of Directors and Audit Committee :

1. Regarding to the above connected transaction, Audit Committee has agreed that it is reasonable to assign MTC to manage this amount of money as they are potential to implement the effective cash management right their proficiency and high experience.

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

**B. Information on Connected Transactions relating asset or service**

(investment in new equipment)

1. Transaction Date : February 2022 – March 2022

2. Connected Parties : Buyer: Kang Yong Electric Public Company Limited (KYE)

Seller: Mitsubishi Electric Asia PTE Ltd. (MEAP)

3. Nature of the Transaction :

Purchasing Hydraulic pipe crimping machine 'Lokring' to replace the gas welding process in the refrigerant piping system. Therefore, the pipe connection quality and cost can be improved by introducing a new pipe crimping method.



#### 4. Total value of the Transaction :

Total amount 41,478 USD, total amount in Thai Baht (1 USD = 33.088867 Baht) = 1,372,456 or 0.02% of NTA (NTA as of December 31, 2021 = Baht 8,015.4 million)

The size of transaction that is medium size exceed 1 million baht but not exceed 20 million baht, 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. The Company therefore requested approval to enter the transaction from the Board of Directors. and disclose information in accordance with the rules.

#### 5. Scope of Interests of Connected Persons :

1. Mitsubishi Electric Corporation (Melco) holds 9,048,020 shares or 45.70 % of the registered and paid-up capital of KYE

2. Mitsubishi Electric Corporation holds 100 % of Mitsubishi Electric Asia PTE Ltd. (MEAP) shares

#### 6. Funding Source :

Working capital

#### 7. Directors who was related person / in with conflict of interests did not attend nor cast votes at this agenda :

Name	Relevant	Shares holding
1. Mr. Takeshi Oshima	Common Directors	None
2. Mr. Takenori Adachi	Directors who are related person	None
3. Mr. Akira Nakamichi		None
4. Mr. Hitoshi Maruyama		None
5. Mr. Kenichiro Fujimoto		Directors who are representative of major shareholders
6. Mr. Tatsuo Ono	None	

#### 8. Connected Transaction Reason :

1. Lokring process is better for employees' health and safety as there's no fire, heat or smoke.

2. Lokring is a new equipment that KYE has to import from India and Germany. KYE would like to purchase via MEAP, an oversea trading company and a group company of Mitsubishi Electric in Thailand. MEAP will be the middleman in the settlement and communication between KYE and Maker, when there are legal problems or disputes regarding the sale and purchase agreement.



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## 9. Opinion of the Board of Directors and Audit Committee :

1. To agree with the entering into a connected transaction of purchasing hydraulic pipe crimping machine 'Lokring' by comparing the market price under general trading conditions. The transaction is reasonable and considered for the best benefit of the Company when compared to entering transactions with third parties.

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

Yours Sincerely,

Takenori Adachi

Vice Chairman of the Board of Directors

Corporate Strategic Planning Office

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