

No. M.D. 224/2019

12<sup>th</sup> November 2019

Subject: Notification of quarter 2/2019 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 2/2019 (July 2019 – September 2019) 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 2019 Operating results.**

| Unit: Baht million              | 2nd quarter<br>FY 2019 |       | 2nd quarter<br>FY 2018 |       | 1st quarter<br>FY 2019 |       | % Change<br>(YoY) | % Change<br>(QoQ) |
|---------------------------------|------------------------|-------|------------------------|-------|------------------------|-------|-------------------|-------------------|
| Revenue from sales and services | 2,009                  | 100%  | 2,036                  | 100%  | 1,866                  | 100%  | -1.3%             | 7.7%              |
| Gross profit                    | 299                    | 14.9% | 244                    | 12.0% | 245                    | 13.1% | 22.4%             | 21.7%             |
| Net profit                      | 142                    | 7.1%  | 26                     | 1.3%  | 0.2                    | 0.01% | 443.6%            | 85766%            |
| Earning per share (Baht)        | <b>7.16</b>            |       | <b>1.18</b>            |       | <b>0.01</b>            |       |                   |                   |

Revenue of sales of goods and rendering service

Revenue of sales of goods and rendering service for the second quarter of 2019 was Baht 2,009 million, a decrease of 1.3% from the same quarter of last year, and an increase of 7.7% from the previous quarter. Sales decreased from the same quarter of the previous year were mainly from refrigerator products of the domestic market, Malaysia market, Hong Kong market, and electric fans export to Japan market. Sales increased from the previous quarter, mainly from refrigerator products exported to Japan market and water pumps that sell in the domestic market.

Gross profit margin

The gross profit margin in the second quarter of 2019 was Baht 299 million. An increased of 22.4% from the same quarter of last year and an increase of 21.7% from the previous quarter. Despite affected by the currency exchange rates causing sales decrease. However, the company has improved sales by selling more profitable products, and the falling of raw material prices. As a result, gross profit increased from the same quarter last year and increased from the previous quarter. With a gross margin on sales of goods and rendering service of 14.9%, higher than the same quarter last year with a gross margin of 12.0% and higher than the previous quarter with a gross margin of 13.1%

### Net Profit

The net profit for the second quarter of 2019 was Baht 142 million, an increase of Baht 116 million from the same quarter of the previous year. Due to the gross profit increase, distribution costs decrease, and investment income increase.

### Highlights of Financial Position

| <b>Unit: Baht million</b>                         | <b>Sep 30, 19</b> | <b>Mar 31, 19</b> | <b>% Change</b> |
|---|-------------------|-------------------|-----------------|
| Cash and cash equivalents                         | 1,350             | 790               | 70.9            |
| Current investments                               | 1,900             | 2,100             | (9.5)           |
| Trade accounts receivable and other receivables   | 922               | 1,345             | (31.4)          |
| Inventories                                       | 797               | 897               | (11.1)          |
| Property, plant and equipment                     | 1,463             | 1,422             | 2.9             |
| Others  | 368               | 392               | (6.1)           |
| <b>Total assets</b>                               | <b>6,800</b>      | <b>6,946</b>      | <b>(2.1)</b>    |
| Trade accounts payable and other payables         | 1,074             | 1,360             | (21.0)          |
| Non-current provisions for employee benefits      | 306               | 237               | 29.1            |
| Others  | 152               | 132               | 15.2            |
| <b>Total liabilities</b>                          | <b>1,532</b>      | <b>1,729</b>      | <b>(11.4)</b>   |
| <b>Shareholders' equity</b>                       | <b>5,268</b>      | <b>5,217</b>      | <b>1.0</b>      |
| <b>Total liabilities and shareholders' equity</b> | <b>6,800</b>      | <b>6,946</b>      | <b>(2.1)</b>    |

### Total Assets

As of September 30, 2019, the Company had total assets of Baht 6,800 million, declining from March 31, 2019, by Baht 146 million or 2.1%, with changes in core asset items as below:

- Cash and cash equivalents were Baht 1,350 million, an increase Baht 560 million, or 70.9% due to current investment and inventories decrease.
- Trade account receivables and other receivables were 922 million baht, a decrease of Baht 423 million, or 31.4%. Trade accounts receivable as of September 30, 2019, amounted to Baht 894 million, a decrease of Baht 426 million, from March 31, 2019, due to lower sales when compared with March 2019.
- Inventories were 797 million baht, a decrease of Baht 100 million. Mainly raw materials, parts, and finished goods decreased. Due to the production management and the inventories controlled had more efficiency.

Total liabilities

As of September 30, 2019, the Company had total liabilities of Baht 1,532 million. A decrease of Baht 197 million or 11.4% from March 31, 2019, with changes in core items as below:

- Trade accounts payable and other payables were Baht 1,074 million, a decrease of Baht 286 million, or 21.0% was caused by trade accounts payable decreased by Baht 220 million. Other receivables decreased by Baht 66 million, mainly from the decrease in royalty fees by Baht 136 million.
- Provision for employee benefits Baht 306 million, an increase of Baht 69 million, mainly as a provision for employee benefits on retirement increased by Baht 57 million due to the revision of the Labor Protection Act, which effective since May 2019.

Shareholders' equity

As of September 30, 2019, the Company had shareholders' equity of Baht 5,268 million, an increase of Baht 51 million compared to March 31, 2019. Due to profits in 6 months causing shareholders' equity to increase by Baht 141 million. In addition, in August 2019, the company paid dividends to shareholders in the amount of Baht 90 million at the rate of 4.55 baht per share, according to the resolution of the Annual General Meeting of Shareholders as of July 25, 2019.

This is for your information.



Yours sincerely,

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

(Mr. Takenori Adachi)  
President