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**Opinion of Independent Financial Advisor Report
Regarding Connected Transaction**

Of



Kang Yong Electric Public Company Limited

By



Finnex Advisory Company Limited

26 June 2024

No. FA 006/2024

June 26, 2024

To Shareholders
Kang Yong Electric Public Company Limited

Subject Opinion of Independent Financial Advisor Report Regarding Connected Transaction

References: 1. Resolution of the Special Board of Directors Meeting No. 1/2567 of Kang Yong Electric Public Company Limited, dated June 14, 2024
2. Information Memorandum on Connected Transactions of Kang Yong Electric Public Company Limited according to the Board of Directors' resolution dated June 14, 2024

At the Special Board of Directors Meeting No. 1/2567 on June 14, 2024, it was resolved to propose to the 2024 Annual General Meeting of Shareholders to approve a loan from Melco Thai Capital Co., Ltd. ("MTC") with a credit line not exceeding 2,000 million Baht for a period not exceeding 5 years. This transaction qualifies as:

- 1) A Connected Transaction involving Financial Assistance to a company in which a Connected person holds more shares than the company itself, as per the Announcement on Connected Transactions. Since MTC's major shareholder is Mitsubishi Electric Corporation ("MELCO"), which holds 99.99% of MTC's issued and outstanding shares, and MELCO is a major shareholder of the company, holding 45.70% of the company's issued and outstanding shares, MELCO is a Connected person to the company.
- 2) A Connected Transaction involving Receiving Financial Assistance, as the company has the condition to be able to borrow back the aforementioned funds to be used for business operations at any time. This ensures that the allocation of the excess liquidity does not affect the company's cash flow management in any way.

The size of the Connected transactions involving financial assistance and receiving financial assistance combined amounts to a maximum of 26.77% of the company's net tangible assets (NTA). This calculation is based on the consolidated financial statements of the company for the period ending March 31, 2024. This qualifies as a large transaction when compared to the threshold of 100 million Baht or 3% of NTA, whichever is lower. Additionally, considering the size of Connected transactions over the past 6 months, another 1.08% of the company's NTA is added, resulting in a total transaction size of 27.85% of the company's NTA. Therefore, the company is required to undertake the following actions:

- 1) Prepare and disclose a report on the company's entry into the transaction to the Stock Exchange of Thailand immediately, with information as per the Announcement on Connected Transactions.
- 2) Convene a shareholders' meeting to approve the Connected transaction. The company must send a notice of the shareholders' meeting to the shareholders at least 14 days before the meeting date.

Approval must be obtained from the shareholders' meeting with a vote of not less than three-fourths of the total votes of shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders.

- 3) Appoint an independent financial advisor to provide opinions on the transaction and send the independent financial advisor's report to the shareholders for consideration along with the notice of the shareholders' meeting.

Based on the aforementioned criteria, the company has appointed Finnex Advisory Co., Ltd. as the independent financial advisor ("the Advisor") to provide an opinion on the Connected transaction to the company's shareholders. This information is intended to assist shareholders in making an informed decision.

Please note that the numerical values in this advisor's opinion report may result from rounding to the second or third decimal place (as applicable). Consequently, the actual calculated results may not precisely match the figures presented in this advisor's opinion report.

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Attachment 2	Summary Information of Melco Thai Capital Co., Ltd.

Definitions

Abbreviation	Meaning
KYE or the Company	: Kang Yong Electric Public Company Limited
MTC	: Melco Thai Capital Co., Ltd.
MELCO	: Mitsubishi Electric Corporation
IFA or the Advisor	: Finnex Advisory Co., Ltd. or the Independent Financial Advisor
IFA Report	: Independent Financial Advisor's report on connected transactions
Connected Transactions	: Financial assistance transactions involving loans to a company with a higher shareholding than the Company. The Company provides a loan to MTC not exceeding THB 2,000 million for a period not exceeding 5 years, and financial assistance transactions where the Company can re-borrow from MTC when needed for business operations
SEC Office or SEC	: Securities and Exchange Commission
SET	: The Stock Exchange of Thailand
Public Company Act	: Public Limited Companies Act B.E. 2535 (including amendments)
Securities Act	: Securities and Exchange Act B.E. 2535 (including amendments)
Connected Transaction Announcement	: Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 regarding criteria for connected transactions dated August 31, 2008 (including amendments), and the Notification of the Stock Exchange of Thailand Board of Directors regarding the disclosure of information and operations of listed companies in connected transactions B.E. 2546 dated November 19, 2003 (including amendments)

Part 1: Executive Summary

Due to Kang Yong Electric Public Company Limited (“KYE” or “the Company”) having excess liquidity from its core business operations over the past three years (2021-2023) and in the foreseeable short term, with no plans for significant investments in large projects or major business expansions, the company's management team intends to efficiently manage this excess liquidity. The goal is to maximize benefits by allocating cash with the highest possible interest rates while ensuring that these funds can be borrowed back as needed for business operations without impacting the company's cash flow management.

At the Special Board of Directors Meeting No. 1/2567 on June 14, 2024, it was resolved to propose to the 2024 Annual General Meeting of Shareholders to approve a loan to Melco Thai Capital Co., Ltd. (“MTC”), a related party of the company. MTC's major shareholder is Mitsubishi Electric Corporation (“MELCO”), holding 99.99% of MTC's issued and outstanding shares. MELCO is also a major shareholder of the company, holding 45.70% of the company's issued and outstanding shares.

In this transaction, the company will extend the credit limit to allow MTC to borrow up to 2,000 million Baht over a 5-year period from August 1, 2024, to July 31, 2029.

The request for approval of this connected transaction involves seeking approval to expand the loan limit from 100 million Baht to 2,000 million Baht. If the company intends to lend to MTC under this expanded credit limit, the process will require comparing interest rates and obtaining the company's approval once again.

1. Lending to MTC under a Short-Term Loan Agreement (“Lending Transaction”)

The company will lend to MTC in Thai Baht under a short-term loan agreement, with each loan having a duration not exceeding one year. The fixed interest rate will be compared with fixed deposit rates from financial institutions in Thailand, and the loan term will be considered on a case-by-case basis before executing the transaction.

Additionally, under the short-term loan agreement, the company will have the option to borrow back a portion or the full amount of the loan provided to MTC at the same interest rate received under the short-term loan agreement (“Borrowing Back Transaction”). This borrowing back transaction allows the company to access the loaned funds for business operations whenever there is a need for liquidity throughout the loan term.

The lending transaction involves an approval process that includes comparing interest rates from at least three banks in Thailand, proposing and approving the interest rate, preparing the agreement, and disbursing the loan, all within approximately five business days. Two executives authorized by the board of directors will approve the interest rate comparison. The borrowing back transaction, which includes approval, agreement preparation, and receiving the funds, will also take approximately five business days.

2. Cash Management by MTC through Daily Cash Pooling ("Cash Pooling Transaction")

The Cash Pooling system is a method of liquidity management where the company agrees to let MTC manage the company's current account. The company allows MTC to manage the Thai Baht cash in the company's current account with Bank of Ayudhya from 4:00 PM each day until 9:00 AM the following morning. The interest rate will be a floating rate, compared daily with savings deposit rates from financial institutions in Thailand.

The company, as part of the MELCO group in Thailand, participates in the Cash Pooling liquidity management system within the MELCO group in Thailand only. MTC manages the Cash Pooling for MELCO group companies in Thailand, with Mitsubishi UFJ Bank, Thailand branch, providing the Cash Pooling system services. At 4:00 PM daily (Thai time), the system permits MTC to manage the funds in the company's current account with Bank of Ayodhya within the Cash Pooling system, with the requirement to return the funds to the account by 9:00 AM the following morning (Thai time).

Within the 2,000 million Baht credit limit, the company's management plans to allocate approximately 1,990 million Baht for the lending transaction and approximately 10 million Baht for the Cash Pooling transaction. However, this allocation may change at the management's discretion, based on the appropriateness at different times during the 5-year contract period from August 1, 2024, to July 31, 2029, to maximize the benefit to the company.

Here are the key details of the connected transactions for the lending transaction and the Cash Pooling transaction:

Subject	Details
Lender	Kang Yong Electric Public Company Limited ("KYE" or "the Company")
Borrower	Melco Thai Capital Co., Ltd. ("MTC")
Purpose	To manage the funds of MELCO group companies in Thailand.
Type	Total lending limit not exceeding 2,000 million Baht in Thai Baht, divided into: 1. <u>Lending transaction</u> 2. <u>Cash Pooling transaction</u>
Credit Line Duration	Total credit line not exceeding 5 years from August 1, 2024, to July 31, 2029, with each short-term loan having a maximum duration of 1 year.
Interest Rate	1. Lending Transaction - Fixed interest rate per year, calculated daily based on the actual number of days (365 days per year). Before each loan, the company will compare the interest rate offered by MTC with the fixed deposit rates from financial institutions in Thailand and consider the loan term. 2. Cash Pooling Transaction

Subject	Details
	<p>- Floating interest rate, as per the internal announcement of MELCO group in Thailand, calculated daily based on the actual number of days (365 days per year).</p> <p>The company will compare the interest rate offered by MTC with the savings deposit rates from financial institutions in Thailand before proceeding.</p>
Collateral	- None
Loan Conditions	<p>1. Lending Transaction</p> <p>- MTC has the right to request additional credit, renew the credit line, or make partial and/or full repayments at the company's discretion.</p> <p>However, the consideration of the claim rights is at the discretion of the company.</p> <p>- MTC must submit a Loan Request Letter before each borrowing. Each loan has a maximum duration of 1 year, with the total outstanding loans not exceeding the credit limit (2,000 million Baht).</p> <p>- Transactions will be conducted in Thai Baht.</p> <p>- The company has the right to borrow back the funds from MTC at the same interest rate, not exceeding the amount lent to MTC at any given time ("Borrowing Back Transaction").</p> <p>2. Cash Pooling Transaction</p> <p>- At 4:00 PM (Thai time) daily, MTC will borrow funds from KYE's current account with Bank of Ayudhya through the Cash Pooling system of Mitsubishi UFJ Bank, Thailand branch, and return the funds by 9:00 AM (Thai time) the next morning in the same account.</p> <p>- There is no minimum limit for the Cash Pooling transaction. The total credit limit, including the lending transaction, must not exceed 2,000 million Baht as approved.</p>
Loan Repayment	<p>1. Lending Transaction</p> <p>Principal: Repay the outstanding principal at the end of the loan term.</p> <p>Interest: Repay all interest at the end of the loan term.</p> <p>Maximum duration for each short-term loan is 1 year.</p> <p>2. Cash Pooling Transaction</p> <p>Principal: Repay by 9:00 AM (Thai time) the next day.</p> <p>Interest: MTC calculates interest daily, summarizes the interest at the end of each month, and transfers the interest to the Bank of Ayudhya account at the beginning of the next month (approximately on the 7th).</p>

This connected transaction is divided into two parts with the same related party: providing financial assistance to a legal entity with a common major shareholder, covering both the lending transaction and the Cash Pooling transaction, and receiving financial assistance in the form of borrowing back the loan from MTC at the same interest rate as the initial loan ("Borrowing Back Transaction"). These transactions qualify as connected transactions as per the Capital Market Supervisory Board Notification No. TorJor. 21/2551 concerning the criteria for connected transactions and the Stock Exchange of Thailand's regulations on disclosure and operations of listed companies in connected transactions B.E. 2546 (including amendments) ("Connected transaction Notification"). This transaction falls under the category of providing financial assistance to a company in which a related person holds more shares than the company itself, thus requiring the transaction size to be calculated based on the criteria of 100 million Baht or 3% of NTA, whichever is lower. The transaction size is calculated from the value of the financial assistance, with a total limit not exceeding 2,000 million Baht, comparable to the interest rates offered by leading financial institutions in Thailand. The basis for considering the interest rate is as follows:

This credit limit will be used for two types of transactions: 1) lending transactions and 2) Cash Pooling transactions, where the combined credit limit of both types at any given time must not exceed 2,000 million Baht. Historically, the company has set internal interest rates for lending within the MELCO group in Thailand. For lending transactions, a fixed interest rate (Fix rate) is compared with fixed deposit rates from financial institutions, and for Cash Pooling transactions, a floating interest rate (Float rate) is compared with savings deposit rates from financial institutions.

Considering the total credit limit from **lending transactions** and **Cash Pooling transactions** of not more than 2,000 million Baht with an interest return of approximately 250 million Baht, combined with potential interest expenses from the **Borrowing Back Transaction** of about 250 million Baht, the total transaction value does not exceed 2,500 million Baht, representing 26.77% of the company's net tangible assets (NTA), which amount to 9,338.98 million Baht as per the financial statements as of March 31, 2024. Additionally, on February 9, 2024, the Board of Directors approved a lending transaction between the company and MTC, a related party, amounting to 98.97 million Baht or 1.08%. Thus, when combined with this transaction and the transactions over the past six months, the total transaction size is 27.85% of the company's NTA.

Since the value of these transactions exceeds 100 million Baht or 3% of the company's NTA, whichever is lower, as per the consolidated financial statements as of March 31, 2024, this qualifies as a large financial assistance transaction. Therefore, the company must disclose the information regarding these connected transactions to the Stock Exchange of Thailand in accordance with the Connected transaction Notification, appoint an independent financial advisor approved by the Securities and Exchange Commission (SEC) to provide an opinion on the connected transactions, and seek approval from the company's shareholders' meeting with a vote of not less than three-fourths of the total votes of shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders.

Based on the above criteria, the company has appointed Finnex Advisory Co., Ltd. ("IFA" or "the Advisor"), an independent financial advisor approved by the SEC, to provide an opinion on the connected transaction to the company's shareholders to assist in their voting decision.

1.1 Source of Funds for Financial Assistance

The source of funds for this financial assistance comes from the company's excess liquidity from its business operations. As of March 31, 2024, the company has high liquidity assets amounting to 4,635.09 million Baht, comprising 222.31 million Baht in cash and cash equivalents and 4,412.78 million Baht in other current financial assets, which include fixed deposits with financial institutions. After deducting estimated annual expenses and emergency reserves, the company's management expects to have excess liquidity of up to 2,000 million Baht available for additional returns. This amount will be allocated for the connected transaction providing financial assistance to MTC.

1.2 Expected Benefits from the Transaction

The purpose of this transaction is to efficiently manage the excess liquidity to maximize benefits. By allocating the excess liquidity, the company aims to secure the highest possible interest rate. The company will proceed with this transaction only if MTC offers an interest rate higher than those from financial institutions, ensuring that the company benefits from the transaction. Additionally, in case of urgent liquidity needs, the company can borrow back the funds at the same interest rate it receives, ensuring the excess liquidity allocation does not affect the company's cash flow management.

1.3 Appropriateness of Interest Rates and Transaction Conditions

Connected transaction for Financial Assistance: Lending Transaction

For the lending transaction where MTC borrows money under the short-term loan agreement, the company will divide the loan into several smaller sub-loans, ensuring that the total does not exceed the overall credit limit and the duration set by the short-term loan agreement. Each time, the company's management will compare the interest rate proposed by MTC with the fixed deposit rates offered by other financial institutions.

The independent financial advisor (IFA) considers that this arrangement, where MTC offers a higher interest rate than the fixed deposit rates from financial institutions, is appropriate because the company will receive the highest possible returns from MTC's offer.

Furthermore, the short-term loan agreement with MTC includes beneficial conditions for the company. In cases of urgent liquidity needs, the company can borrow back the funds either partially or fully, at the same interest rate received under the short-term loan agreement. This flexibility allows the company to manage its working capital efficiently throughout the contract's duration. If the company were to place fixed deposits with other financial institutions and needed to withdraw funds early, typically, the financial institution would reduce the interest rate from what was originally agreed upon in the contract. **The IFA believes that the conditions offered by MTC provide flexibility and benefit the company's capital management, making these terms appropriate.**

Connected transaction for Financial Assistance: Cash Pooling Transaction

For the Cash Pooling transaction, the company will manage its financial liquidity during the end of the day (after 16:00 each day until 09:00 the next day) to maximize benefits within the same credit limit framework as the lending transaction. The company stipulates that the interest rate received from MTC must be higher than the savings deposit rates from financial institutions. **The IFA considers that this arrangement, where MTC**

offers a higher interest rate than savings deposit rates from financial institutions, is appropriate because the company will receive the highest possible returns from MTC's offer.

The Cash Pooling transaction is intended to manage the company's liquidity efficiently outside of regular business hours. The company allows MTC to manage funds in its current account with Bank of Ayudhya through the Cash Pooling system of Mitsubishi UFJ Bank's Thailand branch, from 16:00 each day until 09:00 the next morning. **The IFA believes that the conditions offered by MTC benefit the company by allowing it to manage its funds to the company's maximum advantage, making these terms appropriate.**

Connected transaction for Financial Assistance: Borrowing Back Transaction

In this financial assistance transaction with MTC, the company receives conditions allowing it to borrow back the funds to use for business operations at any time. This ensures that the allocation of excess liquidity does not impact the company's cash flow management. The company can borrow back the funds at the same interest rate it receives. **The IFA believes that this arrangement, where the company can borrow back the funds at the same interest rate it receives, is appropriate because the company will not have to pay more interest than it receives.**

Additionally, the ability to borrow back funds as needed provides greater flexibility for the company's operations. **The IFA considers these conditions appropriate and beneficial to the company in times of urgent liquidity needs.**

1.4 History of Financial Assistance

The company has always recognized the importance of efficiently managing financial liquidity. The management team carefully allocates excess liquidity to achieve the highest possible returns for the surplus funds not needed for the company's core business operations. They evaluate offers based on the highest interest rates under suitable conditions. Historically, the company has engaged in connected transactions to provide financial assistance to MTC in a manner similar to the current transaction. However, previous financial assistance transactions with MTC did not qualify as significant connected transactions under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551, dated August 31, 2008 (including any amendments), and the Notification of the Stock Exchange of Thailand Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected transactions, 2003, dated November 19, 2003 (including any amendments). As a result, past transactions were conducted based on resolutions approved by the company's Board of Directors.

The details of connected transactions with MTC for lending transactions during the years 2021 to 2023 and the first quarter of 2024 are as follows:

No	Start Date	End Date	Total Credit Limit	Amount	Interest Rate Received by KYE from MTC	Interest Rate from Financial Institutions
1	6 Jan 2021	6 Jan 2022	100.00 million Baht	70.00 million Baht	0.80 percent	0.50 – 0.75 percent
2	7 Jan 2022	7 Jan 2023	100.00 million Baht	70.00 million Baht	0.77 percent	0.40 – 0.65 percent
3	28 Feb 2022	28 Feb 2023	100.00 million Baht	15.00 million Baht	0.77 percent	0.40 – 0.65 percent
4	24 Jan 2023	24 Jan 2024	100.00 million Baht	90.00 million Baht	1.50 percent	1.00 – 1.20 percent
5	24 Jan 2024	24 Jan 2025	100.00 million Baht	90.00 million Baht	2.50 percent	1.70 – 1.95 percent

In the past, for Cash Pooling transactions, the company operated under resolutions approved by the company's Board of Directors, similar to the lending transactions. The company allowed MTC to manage the funds in the company's current account with Bank of Ayudhya in the Cash Pooling system after 4:00 PM each day, with the requirement to return the funds to the account by 9:00 AM the next morning.

During the years 2021 to 2023 and the first quarter of 2024, the company did not extend any loans to financial institutions or external parties. This is because the company's management aimed to achieve appropriate returns by allocating excess liquidity in the form of deposits only, without seeking returns through lending.

1.5 Impact of Financial Assistance by KYE

The provision of loans to MTC up to a maximum of 2,000 million Baht will result in the company's highly liquid assets, including cash and cash equivalents and other current financial assets, decreasing from 4,635.09 million Baht to 2,635.09 million Baht. However, a review of the company's financial statements over the past three years, from April 1, 2021 to March 31, 2022, April 1, 2022 to March 31, 2023, and April 1, 2023 to March 31, 2024, demonstrates that the company maintains a stable financial position. After lending MTC up to 2,000 million Baht, the company will still have sufficient working capital without affecting its business operations. The detailed impact is as follows:

Summary of the Company's Key Financial Information

the Company's Key Financial Information	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)	As of March 31, 2024 (Audited)
	Million Baht	Million Baht	Million Baht
Income Statement			
Total Revenue	8,484.07	8,764.72	7,770.54
Cost of Sales and Services	7,059.71	7,517.45	6,108.78
Selling Expenses	462.58	493.23	291.41
Administrative Expenses	651.24	614.01	575.12
Total Expenses	8,173.53	8,624.68	6,975.31
Financial Costs	(0.31)	(0.33)	(0.53)
Share of Profit from Associates	2.19	2.27	0.97
Income Tax Revenue (Expense)	24.65	17.60	(58.05)
Profit for the Year	337.06	159.58	737.62

the Company's Key Financial Information	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)	As of March 31, 2024 (Audited)
	Million Baht	Million Baht	Million Baht
Statement of Financial Position			
Current Assets			
- Cash and Cash Equivalents	739.26	630.63	222.31
- Other Current Financial Assets	3,030.00	2,820.00	4,412.78
- Other Current Assets	2,582.09	2,507.96	1,817.97
Total Current Assets	6,351.35	5,958.59	6,453.06
Non-Current Assets	3,901.84	3,686.87	4,661.70
Total Assets	10,253.18	9,645.45	11,114.76
Current Liabilities	1,528.19	1,090.82	843.26
Non-Current Liabilities	713.17	655.55	903.28
Total Liabilities	2,241.36	1,746.37	1,746.55
Shareholders' Equity	8,011.82	7,899.09	9,368.21
Total Liabilities and Shareholders' Equity	10,253.18	9,645.45	11,114.76
Key Financial Ratios			
Current Ratio	4.16	5.46	7.65
Debt to Equity Ratio	0.28	0.22	0.19
Interest Bearing Debt to Equity Ratio	<0.01	<0.01	<0.01

When considering the comprehensive income statements over the past three years, from April 1, 2021, to March 31, 2022, from April 1, 2022 to March 31, 2023, and from April 1, 2023 to March 31, 2024, it is evident that the company has demonstrated strong performance. The company has consistently maintained a stable revenue level, and its operations have resulted in continuous net profits. Based on the performance and financial position over the past three years, it can be concluded that the company will be able to maintain adequate liquidity for its business operations and is unlikely to face liquidity shortages over the next five years.

For the company's financial position statement, it has consistently demonstrated financial stability. The liquidity ratios as of March 31, 2022, March 31, 2023, and March 31, 2024, are 4.16, 5.46, and 7.65, respectively, indicating a very high level of liquidity. Additionally, the company's debt-to-equity ratio (D/E Ratio) remains low, standing at 0.28, 0.22, and 0.19 as of March 31, 2022, March 31, 2023, and March 31, 2024, respectively, reflecting a robust financial structure. Furthermore, when examining the interest-bearing debt-to-equity ratio as of March 31, 2022, March 31, 2023, and March 31, 2024, it is less than 0.01 in all three years. As of these dates, the company's only interest-bearing debt comprises lease liabilities, totaling 18.36 million Baht, 21.66 million Baht, and 15.44 million Baht, respectively, representing 0.18%, 0.22%, and 0.14% of the company's total assets.

1.6 Performance and Financial Position of MTC

The company's management has assessed the repayment ability of MTC, which is the counterparty in this related transaction. The assessment comprehensively covered the nature of the business, reputation, reliability, performance, and financial position of MTC. After thorough consideration, the company's management believes that MTC will be able to repay the full amount to the company on time as agreed between both parties.

Historically, MTC has always made timely repayments in full and has never requested an extension due to an inability to repay.

MTC's financial statements for the past three years, from April 1, 2021 to March 31, 2022, from April 1, 2022 to March 31, 2023, and from April 1, 2023 to March 31, 2024, are as follows:

Statement of Financial Position of MTC

Statement of Financial Position	Financial Statements for the Year Ended					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million	Percent	Million	Percent	Million	Percent
Assets						
Current Assets						
Cash and Cash Equivalents	2,583.87	9.36	3,523.28	15.51	3,000.71	8.40
Short-term Loans to Related Parties	24,980.61	90.52	19,187.07	84.45	32,703.10	91.50
Accrued Interest Receivables	28.77	0.10	8.53	0.04	37.64	0.11
Other Receivables	1.59	0.01	0.93	<0.01	0.12	<0.01
Total Current Assets	27,594.84	99.99	22,719.80	100.00	35,741.57	100.00
Non-Current Assets						
Equipment	0.19	<0.01	0.13	<0.01	0.18	<0.01
Other Non-Current Assets	1.20	<0.01	0.76	<0.01	0.35	<0.01
Total Non-Current Assets	1.39	0.01	0.89	<0.01	0.53	<0.01
Total Assets	27,596.23	100.00	22,720.69	100.00	35,742.10	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Short-term Loans from Related Parties	27,082.82	98.14	22,090.93	97.23	34,731.03	97.17
Accrued Interest Payable to Related Parties	57.64	0.21	68.35	0.30	172.68	0.48
Other Payables	42.33	0.15	48.16	0.21	120.39	0.34
Income Tax Payable	-	-	0.45	<0.01	2.06	<0.01
Other Current Liabilities	0.80	0.00	0.85	<0.01	1.24	<0.01
Total Current Liabilities	27,183.59	98.50	22,208.73	97.75	35,027.41	98.00
Non-Current Liabilities						
Employee Retirement Benefit Obligations	2.09	0.01	2.67	0.01	3.25	0.01
Total Non-Current Liabilities	2.09	0.01	2.67	0.01	3.25	0.01
Total Liabilities	27,185.68	98.51	22,211.40	97.76	35,030.65	98.01
Shareholders' Equity						
Registered Capital	193.00	0.70	193.00	0.85	193.00	0.54
Paid-up Capital	193.00	0.70	193.00	0.85	193.00	0.54
Retained Earnings	217.55	0.79	316.29	1.39	518.45	1.45
Total Shareholders' Equity	410.55	1.49	509.29	2.24	711.45	1.99

Statement of Financial Position	Financial Statements for the Year Ended					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million	Percent	Million	Percent	Million	Percent
Total Liabilities and Shareholders' Equity	27,596.23	100.00	22,720.69	100.00	35,742.10	100.00

Income Statement of MTC

Income Statement	Financial Statements for the Year Ended					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million	Percent	Million	Percent	Million	Percent
Total Revenue	237.13	100.00	348.88	100.00	808.01	100.00
Expenses						
Financial Costs	183.08	77.21	223.35	64.02	576.22	71.31
Administrative Expenses	22.75	9.59	24.93	7.14	25.25	3.13
Total Expenses	205.82	86.80	248.27	71.16	601.48	74.44
Profit Before Income Tax	31.30	13.20	100.60	28.84	206.53	25.56
Income Tax	-	-	1.87	0.53	4.37	0.54
Profit for the Year	31.30	13.20	98.74	28.30	202.16	25.02

Key Financial Ratios of MTC

Key Financial Ratios	Financial Statements for the Year Ended		
	March 31, 2022	March 31, 2023	March 31, 2024
Net Profit Margin (%)	13.20	28.30	25.02
Current Ratio (times)	1.02	1.02	1.02

Given the nature of MTC's business operations, which have long involved managing the finances of the MELCO group in Thailand, and based on the financial statements for the past three years from April 1, 2021, to March 31, 2022, from April 1, 2022, to March 31, 2023, and from April 1, 2023, to March 31, 2024, it can be concluded that there are no indications that MTC is likely to default on its obligations to the company. This conclusion is supported by MTC's continuous profitability during the periods, with net profits of 31.30 million Baht, 98.74 million Baht, and 202.16 million Baht, and net profit margins of 13.20%, 28.30%, and 25.02%, respectively, reflecting stable performance.

In summary, MTC maintains a strong financial position, successfully balancing deposits and loans over the past three years, with a current ratio of 1.02 as of March 31, 2022, March 31, 2023, and March 31, 2024.

Additionally, interviews with the company's management reveal that MTC is a subsidiary of Mitsubishi Electric Corporation from Japan, a well-known and reputable company with a long-standing transaction history with the company of over 20 years. Historically, MTC has always repaid the company in full and on time, both for loan transactions and Cash Pooling transactions, and has never requested an extension due to an inability to repay.

1.7 Summary of Opinions on the Reasonableness of the Transaction

After considering the advantages and disadvantages of entering into the transaction, the pros and cons of not entering into the transaction, the benefits and drawbacks of engaging in the transaction with related parties, and the risks associated with the transaction, the independent financial advisor believes that **shareholders should approve the connected transaction.** This is because the company will be able to efficiently manage its excess liquidity to maximize benefits by allocating cash, which is the excess liquidity, to achieve the highest possible interest rate. Additionally, under the terms that allow the company to borrow back the funds for use in business operations at any time, the allocation of excess liquidity will not adversely affect the company's cash flow management for its business operations.

Part 2: Practice and Information Used in Preparation of Report

The IFA considers and studies the information relating to the Connected Transaction provided by the Company's management interview, public information, and other related information, including but not limited to:

1. The Company's board of directors' resolution and information memorandum disclosed via SET regarding the Connected Transaction.
2. Important documents of the Company and MTC e.g. affidavit, memorandum of association, article of association, and list of shareholders etc.
3. Financial statement of the Company.
4. Agreements between the Company and MTC regarding lending and borrowing money.
5. Interviewing the Company's management and related person.

The IFA's opinion based on an assumption that all information and/or documents received by the IFA, including interview with the management of the Company, and related person were correct and true. The IFA has carefully considered and studied such information to comply with professional standard. Moreover, the IFA considered that all contracts and business agreements were effective and legally enforceable and the conditions of such agreement will not be changed, revoked or canceled, and there is no circumstance or any condition which might significantly affect the Connected Transaction.

Therefore, in case that information and/or documents received by the IFA is incorrect and/or untrue, or the contracts and business agreements are not effective and/or not legally enforceable and/or the conditions of contracts and business agreements are changed, revoked or canceled, and/or there is any circumstance or condition that might cause significant effect to the Connected Transaction, the IFA's opinion might be affected. The IFA, therefore, will not be able to provide an opinion on such effect to the Company and its shareholders. The IFA's opinion was prepared based on the information received by the IFA including information on the industry, economic condition, and other factors occurred during the preparation, which may significantly change later on and affected the IFA's opinion. The IFA does not have an obligation to revise the Independent Financial Advisor Report.

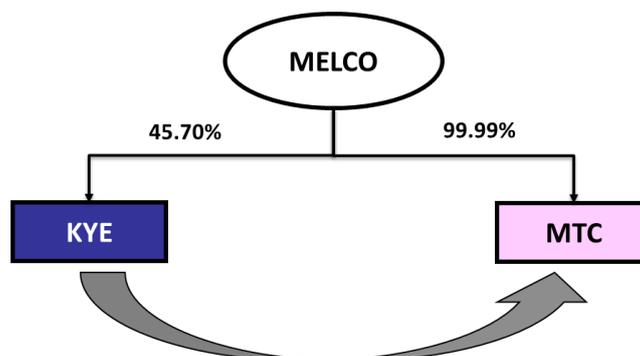
The Independent Financial Advisor Report was prepared for the Company's shareholders as a reference to consider the Connected Transaction. Thus, a decision to approve or not to approve is up to shareholders' consideration. Nonetheless, shareholders should carefully and study the information and documents enclosed with the shareholder meeting's invitation letter, in order to make an appropriate decision. However, the Independent Financial Advisor Report does not guarantee success of the Transaction, including possible impacts, and the IFA will not be able to, either directly or indirectly, response for any impact cause from entering into the Connected Transaction.

Part 3: Characteristics and Details of the Transaction

3.1 Overviews and Descriptions of the Transaction

Due to Kang Yong Electric Public Company Limited (“KYE” or “the Company”) having excess liquidity from its core business operations over the past three years (2021-2023) and in the foreseeable short term, with no plans for significant investments in large projects or major business expansions, the company's management team intends to efficiently manage this excess liquidity. The goal is to maximize benefits by allocating cash with the highest possible interest rates while ensuring that these funds can be borrowed back as needed for business operations without impacting the company's cash flow management.

At the Special Board of Directors Meeting No. 1/2567 on June 14, 2024, it was resolved to propose to the 2024 Annual General Meeting of Shareholders to approve a loan to Melco Thai Capital Co., Ltd. (“MTC”), a related party of the company. MTC's major shareholder is Mitsubishi Electric Corporation (“MELCO”), holding 99.99% of MTC's issued and outstanding shares. MELCO is also a major shareholder of the company, holding 45.70% of the company's issued and outstanding shares.



ให้ความช่วยเหลือทางการเงินวงเงินรวม 2,000 ล้านบาท ภายใต้ 2 ธุรกรรม

1. การให้ MTC กู้ยืมเงินตามสัญญาการให้กู้ยืมระยะสั้น (“ธุรกรรมการให้กู้ยืมเงิน”)
2. การให้ MTC บริหารบัญชีกระแสรายวันสำหรับเงินบาทของ KYE ในการทำธุรกรรมประเภท Cash Pooling (“ธุรกรรม Cash Pooling”)

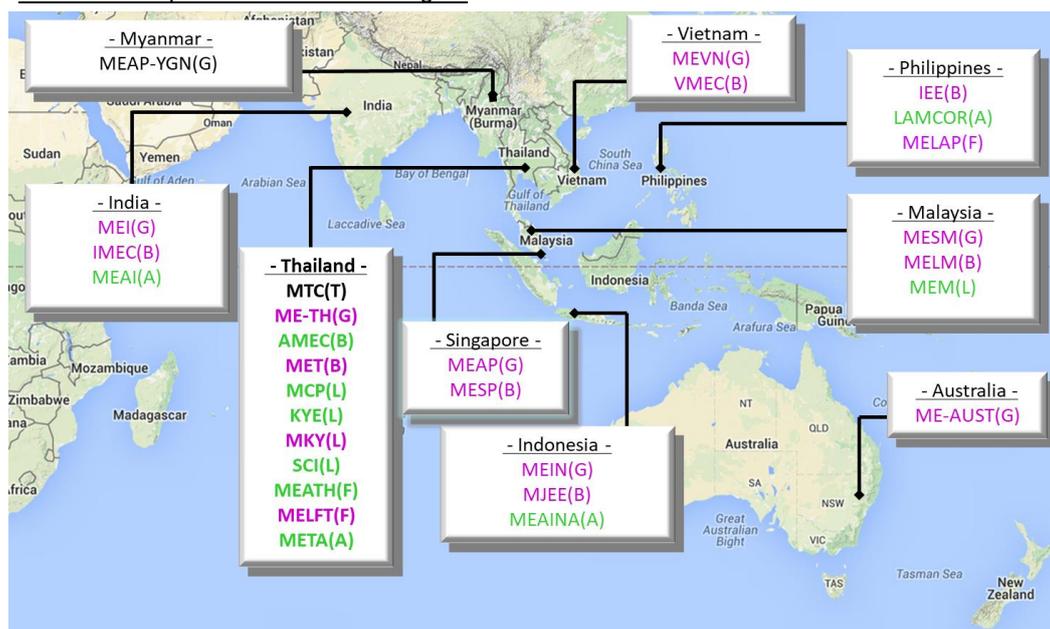
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Provide financial assistance with a total limit of 2,000 million Baht under 2 transactions.

1. Providing MTC with a loan under the short-term loan agreement (“Lending Transaction”)
2. Allowing MTC to manage KYE's Baht current account in Cash Pooling transactions (“Cash Pooling Transaction”)

Melco Thai Capital Co., Ltd. manages the financial resources of MELCO group companies in the Asia-Pacific region, covering a total of 29 companies. These include 11 companies in Thailand, 3 in India, 3 in Indonesia, 3 in the Philippines, 3 in Malaysia, 2 in Singapore, 2 in Vietnam, 1 in Myanmar, and 1 in Australia. MELCO group companies regularly provide and receive financial assistance among themselves based on the financial needs of each company through MTC, which manages the financial operations within the MELCO group in the Asia-Pacific region. MTC is licensed to operate as a treasury center under the supervision of the Ministry of Finance and the Bank of Thailand.

MELCO Group in the Asia-Pacific region



In this transaction, the company will expand the loan limit to provide MTC with loans totaling no more than 2,000 million Baht over a period of 5 years, from August 1, 2024, to July 31, 2029.

The request for approval to enter into this connected transaction is to seek approval to increase the loan limit from 100 million Baht to 2,000 million Baht. If the company wishes to lend to MTC under this limit, it must undergo the company's interest rate comparison and approval processes again.

The loans will be divided into two types as follows:

1. Lending to MTC under a Short-Term Loan Agreement ("**Lending Transaction**")

The company will lend to MTC in Thai Baht under a short-term loan agreement, with each loan having a duration not exceeding one year. The fixed interest rate will be compared with fixed deposit rates from financial institutions in Thailand, and the loan term will be considered on a case-by-case basis before executing the transaction.

Additionally, under the short-term loan agreement, the company will have the option to borrow back a portion or the full amount of the loan provided to MTC at the same interest rate received under the short-term loan agreement ("**Borrowing Back Transaction**"). This borrowing back transaction allows the company to access the loaned funds for business operations whenever there is a need for liquidity throughout the loan term.

The lending transaction involves an approval process that includes comparing interest rates from at least three banks in Thailand, proposing and approving the interest rate, preparing the agreement, and disbursing the loan, all within approximately five business days. Two executives authorized by the board of directors will approve the interest rate comparison. The borrowing back transaction, which includes approval, agreement preparation, and receiving the funds, will also take approximately five business days.

2. Cash Management by MTC through Daily Cash Pooling ("**Cash Pooling Transaction**")

The Cash Pooling system is a method of liquidity management where the company agrees to let MTC manage the company's current account. The company allows MTC to manage the Thai Baht cash in the company's current account with Bank of Ayudhya from 4:00 PM each day until 9:00 AM the following morning. The interest rate will be a floating rate, compared daily with savings deposit rates from financial institutions in Thailand.

The company, as part of the MELCO group in Thailand, participates in the Cash Pooling liquidity management system within the MELCO group in Thailand only. MTC manages the Cash Pooling for MELCO group companies in Thailand, with Mitsubishi UFJ Bank, Thailand branch, providing the Cash Pooling system services. At 4:00 PM daily (Thai time), the system permits MTC to manage the funds in the company's current account with Bank of Ayodhya within the Cash Pooling system, with the requirement to return the funds to the account by 9:00 AM the following morning (Thai time).

There are a total of 11 companies within the MELCO Group in Thailand. Below is a summary of their performance and financial status over the past three years:

1. Melco Thai Capital Co., Ltd. ("MTC")

Financial information for Melco Thai Capital Co., Ltd. ("MTC") can be viewed in Attachment 2 of the Independent Financial Advisor's Opinion Report: Summary of Information for Melco Thai Capital Co., Ltd.

2. Yong Electric Public Co., Ltd. ("KYE" or "the Company")

Financial information for Kang Yong Electric Public Co., Ltd. ("KYE" or "the Company") can be viewed in Attachment 1 of the Independent Financial Advisor's Opinion Report: Summary of Information for Kang Yong Electric Public Co., Ltd.

3. Mitsubishi Electric Asia (Thailand) Co., Ltd. ("ME-TH")

Key Financial Information for Mitsubishi Electric Asia (Thailand) Co., Ltd. ("ME-TH")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	665.37	382.42	319.50
Gross Profit	43.40	38.46	61.22
Profit for the Year	25.02	11.45	24.78
Statement of Financial Position			
Current Assets	575.59	589.80	501.32
Non-current Assets	22.09	17.03	12.69
Total Assets	597.68	606.83	514.01
Current Liabilities	350.83	345.43	223.34
Non-current Liabilities	11.22	14.31	18.80
Total Liabilities	362.05	359.74	242.14
Shareholders' Equity	235.63	247.09	271.87

Key Financial Information for Mitsubishi Electric Asia (Thailand) Co., Ltd. ("ME-TH")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Total Liabilities and Shareholders' Equity	597.68	606.83	514.01

4. Mitsubishi Elevator Asia Co., Ltd. ("AMEC")

Key Financial Information for Mitsubishi Elevator Asia Co., Ltd. ("AMEC")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	7,188.93	7,641.16	7,431.84
Gross Profit	1,291.65	1,619.74	1,207.35
Profit for the Year	72.53	473.16	224.96
Statement of Financial Position			
Current Assets	6,195.21	7,007.93	6,899.09
Non-current Assets	2,632.63	2,344.05	2,083.46
Total Assets	8,827.84	9,351.98	8,982.55
Current Liabilities	828.49	934.97	838.89
Non-current Liabilities	376.24	393.27	368.12
Total Liabilities	1,204.73	1,328.24	1,207.01
Shareholders' Equity	7,623.11	8,023.74	7,775.54
Total Revenue	8,827.84	9,351.98	8,982.55

5. Mitsubishi Elevator (Thailand) Co., Ltd. ("MET")

Key Financial Information for Mitsubishi Elevator (Thailand) Co., Ltd. ("MET")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	3,199.78	2,927.69	3,080.71
Gross Profit	1,007.97	839.19	793.92
Profit for the Year	356.07	267.84	299.93
Statement of Financial Position			
Current Assets	3,218.70	2,949.93	3,268.42
Non-current Assets	116.06	119.15	126.14
Total Assets	3,334.76	3,069.08	3,394.56
Current Liabilities	1,616.63	1,422.65	1,742.04
Non-current Liabilities	148.09	164.61	138.62
Total Liabilities	1,764.72	1,587.26	1,880.66
Shareholders' Equity	1,570.04	1,481.82	1,513.90
Total Revenue	3,334.76	3,069.08	3,394.56

6. Mitsubishi Electric Consumer Products (Thailand) Co., Ltd. ("MCP")

Key Financial Information for Mitsubishi Electric Consumer Products (Thailand) Co., Ltd. ("MCP")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	44,634.78	55,476.83	70,243.45
Gross Profit	13,003.10	16,618.13	18,983.99
Profit for the Year	(676.86)	4,191.82	6,353.84
Statement of Financial Position			
Current Assets	37,184.24	37,532.42	42,315.80
Non-current Assets	8,346.35	7,875.91	8,619.66
Total Assets	45,530.59	45,408.33	50,935.46
Current Liabilities	11,011.18	10,733.19	11,966.18
Non-current Liabilities	664.91	609.25	618.46
Total Liabilities	11,676.09	11,342.44	12,584.64
Shareholders' Equity	33,854.50	34,065.89	38,350.82
Total Revenue	45,530.59	45,408.33	50,935.46

7. Mitsubishi Electric Kang Yong Watana Co., Ltd. ("MKY")

Key Financial Information for Mitsubishi Electric Kang Yong Watana Co., Ltd. ("MKY")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	10,564.65	9,571.76	9,869.23
Gross Profit	1,802.53	1,713.09	1,727.10
Profit for the Year	35.31	24.63	27.40
Statement of Financial Position			
Current Assets	5,821.25	5,867.67	5,554.45
Non-current Assets	512.67	495.64	507.51
Total Assets	6,333.92	6,363.31	6,061.96
Current Liabilities	3,036.37	3,065.45	2,741.13
Non-current Liabilities	360.42	346.70	349.41
Total Liabilities	3,396.79	3,412.15	3,090.54
Shareholders' Equity	2,937.13	2,951.16	2,971.42
Total Revenue	6,333.92	6,363.31	6,061.96

8. Siam Compressor Industry Co., Ltd. ("SCI")

Key Financial Information for Siam Compressor Industry Co., Ltd. ("SCI")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	10,536.29	14,043.79	16,054.18
Gross Profit	2,294.98	3,108.26	3,327.41

Key Financial Information for Siam Compressor Industry Co., Ltd. ("SCI")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Profit for the Year	2,182.59	2,248.32	2,128.91
Statement of Financial Position			
Current Assets	9,772.01	11,252.31	11,876.96
Non-current Assets	6,676.22	6,470.21	7,082.08
Total Assets	16,448.23	17,722.52	18,959.04
Current Liabilities	1,357.50	1,932.02	2,274.53
Non-current Liabilities	239.90	251.21	271.45
Total Liabilities	1,597.40	2,183.23	2,545.98
Shareholders' Equity	14,850.83	15,539.29	16,413.06
Total Revenue	16,448.23	17,722.52	18,959.04

9. Mitsubishi Electric Automation (Thailand) Co., Ltd. ("MEATH")

Key Financial Information for Mitsubishi Electric Automation (Thailand) Co., Ltd. ("MEATH")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	2,893.83	3,337.08	3,395.85
Gross Profit	363.58	484.03	426.28
Profit for the Year	107.77	189.88	107.56
Statement of Financial Position			
Current Assets	2,961.13	3,247.95	3,263.81
Non-current Assets	960.00	824.88	772.41
Total Assets	3,921.13	4,072.83	4,036.22
Current Liabilities	357.72	426.75	383.95
Non-current Liabilities	554.55	495.40	479.17
Total Liabilities	912.27	922.15	863.12
Shareholders' Equity	3,008.86	3,150.68	3,173.10
Total Revenue	3,921.13	4,072.83	4,036.22

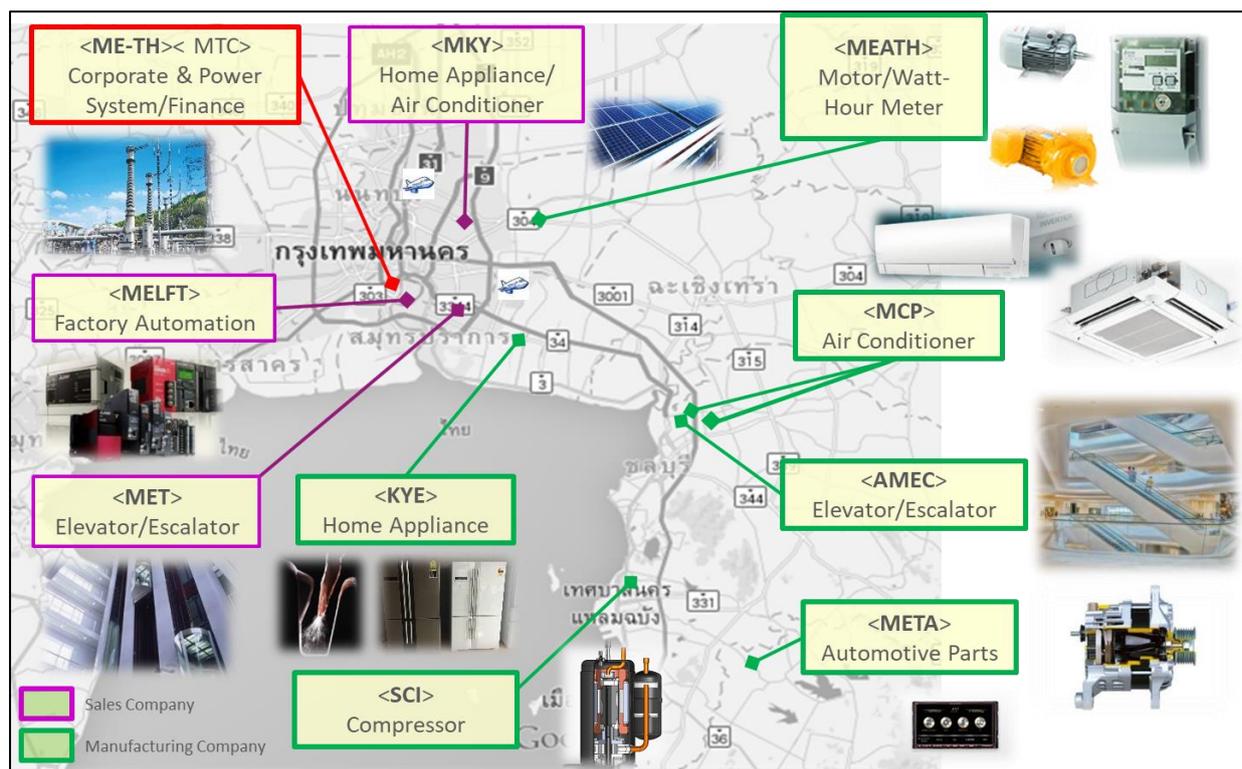
10. Mitsubishi Electric Factory Automation (Thailand) Co., Ltd. ("MELFT")

Key Financial Information for Mitsubishi Electric Factory Automation (Thailand) Co., Ltd. ("MELFT")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	1,127.20	1,412.56	1,545.19
Gross Profit	325.50	417.48	483.74
Profit for the Year	12.35	89.32	93.14
Statement of Financial Position			
Current Assets	852.80	1,026.05	1,230.99
Non-current Assets	149.47	117.12	61.84

Key Financial Information for Mitsubishi Electric Factory Automation (Thailand) Co., Ltd. ("MELFT")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Total Assets	1,002.27	1,143.17	1,292.83
Current Liabilities	338.39	391.25	489.91
Non-current Liabilities	31.57	35.54	37.65
Total Liabilities	369.96	426.79	527.56
Shareholders' Equity	632.31	716.38	765.27
Total Revenue	1,002.27	1,143.17	1,292.83

11. Mitsubishi Electric Thai Auto-Parts Co., Ltd. ("META")

Key Financial Information for Mitsubishi Electric Thai Auto-Parts Co., Ltd. ("META")	As of March 31, 2021 (Audited)	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)
	Million Baht	Million Baht	Million Baht
Comprehensive Income Statement			
Total Revenue	23,790.60	29,402.76	32,644.05
Gross Profit	3,473.73	3,423.24	3,103.22
Profit for the Year	1,943.40	1,823.56	1,765.05
Statement of Financial Position			
Current Assets	13,350.43	12,984.01	15,236.19
Non-current Assets	2,847.86	2,553.55	2,276.51
Total Assets	16,198.29	15,537.56	17,512.70
Current Liabilities	5,220.35	4,644.52	6,159.46
Non-current Liabilities	316.35	349.89	321.03
Total Liabilities	5,537.70	4,994.41	6,480.49
Shareholders' Equity	10,661.59	10,543.15	11,032.21
Total Revenue	16,198.29	15,537.56	17,512.70



Under the 2,000 million Baht framework, the company's management plans to allocate approximately 1,990 million Baht for lending transactions and around 10 million Baht for Cash Pooling transactions. However, this allocation may change at the discretion of the management, who will assess the appropriateness at different times throughout the 5-year contract period from August 1, 2024 to July 31, 2029, to maximize the benefit to the company.

The key details of the connected transactions for the lending transactions and Cash Pooling transactions are as follows:

Subject	Details
Lender	Kang Yong Electric Public Company Limited (“KYE” or “the Company”)
Borrower	Melco Thai Capital Co., Ltd. (“MTC”)
Purpose	To manage the funds of MELCO group companies in Thailand.
Type	Total lending limit not exceeding 2,000 million Baht in Thai Baht, divided into: 1. Lending transaction 2. Cash Pooling transaction
Credit Line Duration	Total credit line not exceeding 5 years from August 1, 2024, to July 31, 2029, with each short-term loan having a maximum duration of 1 year.
Interest Rate	1. Lending Transaction - Fixed interest rate per year, calculated daily based on the actual number of days (365 days per year).

Subject	Details
	<p>Before each loan, the company will compare the interest rate offered by MTC with the fixed deposit rates from financial institutions in Thailand and consider the loan term.</p> <p>2. Cash Pooling Transaction</p> <p>- Floating interest rate, as per the internal announcement of MELCO group in Thailand, calculated daily based on the actual number of days (365 days per year).</p> <p>The company will compare the interest rate offered by MTC with the savings deposit rates from financial institutions in Thailand before proceeding.</p>
Collateral	- None
Loan Conditions	<p>1. Lending Transaction</p> <p>- MTC has the right to request additional credit, renew the credit line, or make partial and/or full repayments at the company's discretion.</p> <p>However, the consideration of the claim rights is at the discretion of the company.</p> <p>- MTC must submit a Loan Request Letter before each borrowing. Each loan has a maximum duration of 1 year, with the total outstanding loans not exceeding the credit limit (2,000 million Baht).</p> <p>- Transactions will be conducted in Thai Baht.</p> <p>- The company has the right to borrow back the funds from MTC at the same interest rate, not exceeding the amount lent to MTC at any given time ("Borrowing Back Transaction").</p> <p>2. Cash Pooling Transaction</p> <p>- At 4:00 PM (Thai time) daily, MTC will borrow funds from KYE's current account with Bank of Ayudhya through the Cash Pooling system of Mitsubishi UFJ Bank, Thailand branch, and return the funds by 9:00 AM (Thai time) the next morning in the same account.</p> <p>- There is no minimum limit for the Cash Pooling transaction. The total credit limit, including the lending transaction, must not exceed 2,000 million Baht as approved.</p>
Loan Repayment	<p>1. Lending Transaction</p> <p>Principal: Repay the outstanding principal at the end of the loan term.</p> <p>Interest: Repay all interest at the end of the loan term.</p> <p>Maximum duration for each short-term loan is 1 year.</p> <p>2. Cash Pooling Transaction</p> <p>Principal: Repay by 9:00 AM (Thai time) the next day.</p>

Subject	Details
	Interest: MTC calculates interest daily, summarizes the interest at the end of each month, and transfers the interest to the Bank of Ayudhya account at the beginning of the next month (approximately on the 7th).

This connected transaction is divided into two transactions involving the same related person. These include providing financial assistance to a legal entity with common major shareholders for lending transactions and Cash Pooling transactions, as well as receiving financial assistance for the lending transaction regarding the right to borrow back from MTC at the same interest rate as the lending ("Borrowing Back Transaction"). These transactions are classified as connected transactions as defined in the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 regarding rules for connected transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding disclosure and operations of listed companies on connected transactions B.E. 2546 (including any amendments) ("Connected transaction Notifications"). This transaction is classified as financial assistance to a company in which a related person holds more shares than the company. Therefore, the transaction size must be considered based on the criteria of 100 million Baht or 3% of NTA, whichever is lower. The transaction size is calculated based on the value of financial assistance, with a total limit of 2,000 million Baht, and the interest rate comparable to leading financial institutions in Thailand, which is derived as follows:

The total limit is allocated for two types of transactions: 1) Lending Transactions and 2) Cash Pooling Transactions. The combined limit of both types should not exceed 2,000 million Baht at any time. Historically, the company has set an internal policy for interest rates within the MELCO Group in Thailand. For lending transactions, a fixed interest rate is set, comparable to fixed deposit rates from financial institutions. For Cash Pooling transactions, a floating interest rate is set, comparable to savings deposit rates from financial institutions.

Considering the total limit from **lending transactions** and **Cash Pooling transactions** not exceeding 2,000 million Baht, the expected interest return from this limit is approximately 250 million Baht, plus any potential expenses from the interest of the **Borrowing Back Transaction**, which is approximately another 250 million Baht. This totals the transaction value to not exceed 2,500 million Baht, equivalent to 26.77% of the company's net tangible assets (NTA), which equals 9,338.98 million Baht as per the financial statement ending March 31, 2024. On February 9, 2024, the company's board meeting approved a loan transaction between the company and MTC, a related person of the company, with a transaction size of 98.97 million Baht or 1.08%. Therefore, combining this transaction with those within the past six months, the total transaction size equals 27.85% of the company's net tangible assets (NTA).

Since the transaction value exceeds 100 million Baht or more than 3% of the company's NTA, whichever is lower, based on the consolidated financial statements as of March 31, 2024, it is considered a large-scale financial assistance transaction. Therefore, the company must disclose information about the connected transaction to the Stock Exchange of Thailand per the Connected transaction Notifications. Additionally, the company must appoint an independent financial advisor approved by the Securities and Exchange Commission (SEC) to provide an opinion on the connected transaction and seek approval for the transaction from the

shareholders' meeting with a vote of no less than three-fourths of the total votes of shareholders present and eligible to vote, excluding votes from shareholders with a vested interest.

Based on these criteria, the company has appointed Finnex Advisory Co., Ltd. ("IFA" or "Advisor") as the independent financial advisor approved by the SEC to provide opinions on the connected transaction to the company's shareholders as information for decision-making.

3.2 Date of Transaction

At the special board meeting No. 1/2567 of Kang Yong Electric Public Co., Ltd., held on June 14, 2024, it was resolved to propose to the Annual General Meeting of Shareholders 2024 to consider and approve a loan to Melco Thai Capital Co., Ltd. ("MTC"), a related party of the company. The loan limit for the lending transaction and Cash Pooling transaction is not to exceed 2,000 million Baht, with a loan period not exceeding 5 years from August 1, 2024, to July 31, 2029.

3.3 Parties to the Agreement and Relationship with the Company

Lender : Kang Yong Electric Public Co., Ltd. ("KYE" or "the Company")

Borrower : Melco Thai Capital Co., Ltd. ("MTC")

Relationship with the Company : The Company and MTC share the same major shareholder, MELCO, which is considered a related party of the Company. MELCO holds 45.70% of the issued and outstanding common shares of the Company and 99.99% of the issued and outstanding common shares of MTC.

3.4 Type and Size of Transaction

Description

Details of Financial Assistance to MTC:

Lender: Kang Yong Electric Public Co., Ltd. ("KYE" or "the Company")

Borrower: Melco Thai Capital Co., Ltd. ("MTC")

Type: Loan limit for lending transactions and Cash Pooling transactions totaling no more than 2,000 million Baht

Loan Period: Not exceeding 5 years

Interest Rate: Fixed rate comparable to the fixed deposit rates of financial institutions in Thailand for lending transactions, and floating rate comparable to the savings deposit rates of financial institutions in Thailand for Cash Pooling transactions

Collateral: None

Additionally, as part of this financial assistance to MTC, the Company has received conditions that allow it to borrow back the loan at any time for use in business operations. This ensures that the allocation of excess liquidity will not impact the company's cash flow management for its business operations. The borrowing back conditions are considered financial assistance, with the Company as the borrower and MTC as the lender.

Type and Calculation of Connected transaction Size

This transaction is considered both financial assistance and receiving financial assistance according to the connected transaction notifications. The maximum transaction size in this instance is 26.77% when compared to the net tangible assets (NTA) as of the company's financial statements ending March 31, 2024. Additionally, when considering the transaction size retrospectively over the past six months, which accounts for another 1.08% of the company's NTA, the total transaction size amounts to 27.85% of the company's NTA. The calculation details are as follows:

Financial Information for Calculation as of March 31, 2024		Unit
Total Assets	11,114.76	Million Baht
Less Total Liabilities	1,746.55	Million Baht
Less Intangible Assets	29.23	Million Baht
Net Tangible Assets (NTA)	9,338.98	Million Baht

Value of Financial Assistance Received	=	not exceeding 2,000 million Baht with Interest Rate Return at not exceeding 2.50% per annum for 5 years
	=	2,000 million Baht + 2.5% * 5 years * 2,000 million Baht
	=	not exceeding 2,250 million Baht
Total Connected Transaction Size	=	Interest Payment at not exceeding 2.50% per annum for 5 years
	=	2.5% * 5 years * 2,000 million Baht
	=	not exceeding 250 million Baht
Total Connected Transaction Size	=	not exceeding 2,500 million Baht
NTA as of March 31, 2024	=	9,338.98 million Baht
Maximum Transaction Size This Time	=	2,500 / 9,338.98
	=	26.77%
Transaction Size in the Past 6 Months	=	1.08%
Total Maximum Transaction Size	=	27.85%

For the calculation of the transaction size, the interest rate for the lending transactions will be used to estimate the return on interest on a conservative basis. This is because, in general, lending transactions typically have higher interest rates than Cash Pooling transactions due to the longer loan terms involved in lending transactions compared to the daily settlement nature of Cash Pooling transactions.

The interest rate for lending transactions (and the borrowing back transactions which use the same interest rate) will be compared to the rates offered by leading financial institutions in Thailand each time before approving the loan. Since the independent financial advisor cannot predict future interest rates, the calculation of the transaction size is based on the highest interest rate the company has charged MTC since 2020, which is 2.50% per annum.

From the above transaction size calculation, the maximum transaction size is 26.77% of the net tangible assets (NTA). Additionally, the company has connected transactions with a related person within the past six months, amounting to 1.08% of the NTA. When combined with this transaction, the total transaction size is 27.85%, which exceeds 100 million Baht or more than 3% of the company's NTA, whichever is lower, based on the consolidated financial statements as of March 31, 2024. Therefore, the company is required to disclose information about the connected transactions to the Stock Exchange of Thailand in accordance with the connected transaction notifications. Furthermore, the company must appoint an independent financial advisor approved by the Securities and Exchange Commission (SEC) to provide an opinion on the connected transactions to the company's shareholders. The approval for the transaction must be obtained from the shareholders' meeting with a vote of no less than three-fourths of the total votes of shareholders present and eligible to vote, excluding the votes of shareholders with vested interests.

3.5 Source of Funds for Financial Assistance

The source of funds for this financial assistance comes from the company's excess liquidity from its business operations. As of March 31, 2024, the company has high liquidity assets amounting to 4,635.09 million Baht, comprising 222.31 million Baht in cash and cash equivalents and 4,412.78 million Baht in other current financial assets, which include fixed deposits with financial institutions. After deducting estimated annual expenses and emergency reserves, the company's management expects to have excess liquidity of up to 2,000 million Baht available for additional returns. This amount will be allocated for the connected transaction providing financial assistance to MTC.

3.6 Conditions for Entering into the Transaction

The condition for expanding the loan limit from the original 100 million Baht to 2,000 million Baht over a period of 5 years is subject to approval by the Annual General Meeting of Shareholders 2024, which will be held on July 26, 2024. The approval is for the connected transaction involving both providing and receiving financial assistance.

3.7 Expected Benefits from the Transaction

The purpose of this transaction is to efficiently manage the excess liquidity to maximize benefits. By allocating the excess liquidity, the company aims to secure the highest possible interest rate. The company will proceed with this transaction only if MTC offers an interest rate higher than those from financial institutions, ensuring that the company benefits from the transaction. Additionally, in case of urgent liquidity needs, the company can borrow back the funds at the same interest rate it receives, ensuring the excess liquidity allocation does not affect the company's cash flow management.

3.8 Directors and Shareholders with a Conflict of Interest Who Did Not Attend the Meeting and Have No Voting Rights

Shareholders with a Conflict of Interest in the Transaction

The shareholder with a conflict of interest in this connected transaction is MELCO, which is the major shareholder and the controlling entity of the Company. As of March 29, 2024, MELCO holds 9,048,020 common shares, representing 45.70% of the total issued and outstanding common shares of the Company. Therefore, MELCO will not attend and will have no voting rights at the shareholders' meeting to approve this connected transaction involving financial assistance.

Directors with a Conflict of Interest in the Transaction

Since MELCO, as the major shareholder and controlling entity of the Company, and as an interested party in this connected transaction involving financial assistance, has appointed six representatives to serve as directors of the Company, the following directors are considered to have a conflict of interest and will not attend the meeting nor have voting rights at the board meeting to approve this connected transaction; 1) Mr. Keiji Oya 2) Mr. Tatsuo Ono 3) Mr. Hitoshi Maruyama 4) Mr. Yasuhito Negishi 5) Mr. Osamu Sugimoto 6) Mr. Kunihiko Seki

3.9 Opinion of the Board of Directors on Entering into the Transaction

The Board of Directors believes that entering into this connected transaction, as detailed above, is reasonable for the following reasons:

- 1) The Company will receive better returns from this transaction compared to general commercial banks.
- 2) The transaction will not adversely affect the Company, as the Company has sufficient liquidity to seek additional returns of up to 2,000 million Baht.
- 3) The Company has reviewed MTC's financial performance and found it capable of debt repayment, as it has been consistently profitable for the past 5 years, has a current asset to current liabilities ratio of approximately 1:1, and has never defaulted on any payments. The Company considers this to be a low-risk transaction.

Therefore, the Board of Directors considers this connected transaction to be reasonable, enabling the Company to manage its cash flow efficiently and earn higher returns than from other financial institutions. MTC, with its high expertise and experience, provides a reliable investment opportunity. Consequently, the Board recommends that the Annual General Meeting of Shareholders 2024, scheduled for July 26, 2024, approve the transaction.

The Audit Committee has reviewed the transaction and concurs that utilizing excess cash to benefit the Company by earning higher returns than from general banks and engaging with a reliable and credible counterparty is reasonable. The Audit Committee thus recommends the Board of Directors consider the transaction and propose it to the shareholders' meeting for approval.

3.10 Opinions of the Audit Committee and/or Directors that Differ from Those of the Board of Directors

- None -

Part 4: Reasonableness of the Transaction

4.1 Objective and Necessity of Entering into the Transaction

At the special board meeting No. 1/2567 of Kang Yong Electric Public Co., Ltd. ("KYE" or "the Company") held on June 14, 2024, it was resolved to propose to the Annual General Meeting of Shareholders 2024 to consider and approve a loan limit for Melco Thai Capital Co., Ltd. ("MTC"), a related party of the Company. MTC has a major shareholder, Mitsubishi Electric Corporation ("MELCO"), which holds 99.99% of MTC's issued and outstanding common shares. MELCO is also a major shareholder of the Company, holding 45.70% of the issued and outstanding common shares of the Company.

The management of the Company seeks to achieve the highest possible returns under suitable conditions by allocating excess liquidity in the form of deposits rather than loans. However, depositing funds with MTC, which is engaged in capital management and has MELCO as a major shareholder, qualifies as a connected transaction involving financial assistance.

For this financial assistance to a company in which a related person holds more shares than the Company, the Company has complied with its intercompany transaction policy under the criteria set forth in the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 regarding rules for connected transactions dated August 31, 2008 (including any amendments), and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding disclosure and operations of listed companies on connected transactions B.E. 2546 dated November 19, 2003 (including any amendments). The management has reviewed the nature of the transaction, its size, compared interest rates, and conditions for approval by the Audit Committee, the Board of Directors, and is in the process of seeking approval from the shareholders' meeting.

Additionally, since the Company has obtained conditions allowing it to borrow back the deposited funds for business operations at any time, the allocation of such excess liquidity will not impact the Company's cash flow management. These conditions qualify as a connected transaction involving the receipt of financial assistance, under the criteria set forth in the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 regarding rules for connected transactions dated August 31, 2008 (including any amendments), and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding disclosure and operations of listed companies on connected transactions B.E. 2546 dated November 19, 2003 (including any amendments). The management has reviewed the nature of the transaction, its size, compared interest rates for the borrow-back transaction, and sought approval from the Audit Committee, the Board of Directors, and is in the process of seeking approval from the shareholders' meeting.

4.2 Appropriateness of Entering into the Transaction

4.2.1 Appropriateness of Interest Rates and Transaction Conditions

The total limit for this connected transaction involving financial assistance will be used for two types of transactions; 1) Lending Transactions 2) Cash Pooling Transactions. The combined limit for both types must not exceed 2,000 million Baht at any time. The independent financial advisor has evaluated the appropriateness of both transactions as follows:

Connected transaction for Financial Assistance: Lending Transaction

For the lending transaction where MTC borrows money under the short-term loan agreement, the company will divide the loan into several smaller sub-loans, ensuring that the total does not exceed the overall credit limit and the duration set by the short-term loan agreement. Each time, the company's management will compare the interest rate proposed by MTC with the fixed deposit rates offered by other financial institutions.

The independent financial advisor (IFA) considers that this arrangement, where MTC offers a higher interest rate than the fixed deposit rates from financial institutions, is appropriate because the company will receive the highest possible returns from MTC's offer.

Furthermore, the short-term loan agreement with MTC includes beneficial conditions for the company. In cases of urgent liquidity needs, the company can borrow back the funds either partially or fully, at the same interest rate received under the short-term loan agreement. This flexibility allows the company to manage its working capital efficiently throughout the contract's duration. If the company were to place fixed deposits with other financial institutions and needed to withdraw funds early, typically, the financial institution would reduce the interest rate from what was originally agreed upon in the contract. **The IFA believes that the conditions offered by MTC provide flexibility and benefit the company's capital management, making these terms appropriate.**

Connected transaction for Financial Assistance: Cash Pooling Transaction

For the Cash Pooling transaction, the company will manage its financial liquidity during the end of the day (after 16:00 each day until 09:00 the next day) to maximize benefits within the same credit limit framework as the lending transaction. The company stipulates that the interest rate received from MTC must be higher than the savings deposit rates from financial institutions. **The IFA considers that this arrangement, where MTC offers a higher interest rate than savings deposit rates from financial institutions, is appropriate because the company will receive the highest possible returns from MTC's offer.**

The IFA considers that this arrangement, where MTC offers a higher interest rate than savings deposit rates from financial institutions, is appropriate because the company will receive the highest possible returns from MTC's offer.

The Cash Pooling transaction is intended to manage the company's liquidity efficiently outside of regular business hours. The company allows MTC to manage funds in its current account with Bank of Ayudhya through the Cash Pooling system of Mitsubishi UFJ Bank's Thailand branch, from 16:00 each day until 09:00 the next morning. **The IFA believes that the conditions offered by MTC benefit the company by allowing it to manage its funds to the company's maximum advantage, making these terms appropriate.**

Connected transaction for Financial Assistance: Borrowing Back Transaction

In this financial assistance transaction with MTC, the company receives conditions allowing it to borrow back the funds to use for business operations at any time. This ensures that the allocation of excess liquidity

does not impact the company's cash flow management. The company can borrow back the funds at the same interest rate it receives. **The IFA believes that this arrangement, where the company can borrow back the funds at the same interest rate it receives, is appropriate because the company will not have to pay more interest than it receives.**

Additionally, the ability to borrow back funds as needed provides greater flexibility for the company's operations. **The IFA considers these conditions appropriate and beneficial to the company in times of urgent liquidity needs.**

4.2.2 Suitability of Compliance with Inter-company Transaction Policies

For this connected transaction, the Company has adhered to its inter-company transaction policy under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 regarding criteria for connected transactions dated August 31, 2008 (including amendments), and the Notification of the Stock Exchange of Thailand Board of Directors regarding the disclosure of information and operations of listed companies in connected transactions B.E. 2546 dated November 19, 2003 (including amendments), which outlines the following practices:

- Presenting inter-company transactions that fall under various scenarios according to the regulations to seek approval from the Company's Board of Directors and/or the shareholders' meeting. This is done after review by the Audit Committee to ensure fairness, appropriate pricing, and the consideration of the Company's best interests. Interested directors do not have voting rights in the meetings.
- Adequately disclosing information on inter-company transactions with related companies in the financial statements and annual report in compliance with the regulations of the Securities and Exchange Commission, as well as the accounting standards for disclosing information regarding related parties, as stipulated by the Federation of Accounting Professions.

Additionally, future inter-company transactions will continue to strictly follow the established criteria for connected transactions, emphasizing reasonableness, appropriate and fair pricing policies, and the Company's best interests. Control over inter-company transactions will be carried out as follows:

- Normal Business and Supporting Transactions: Primarily involving the purchase and sale of goods and service fees between affiliated companies under general trading conditions. The Company's Board of Directors has approved, in principle, the execution of such transactions.
- Non-normal Business Transactions and/or Transactions Without General Trading Conditions: Managed and reviewed by the Corporate Secretary and the Finance Manager to ensure compliance with relevant rules and regulations.

Considering the aforementioned practices, along with the approval process for connected transactions involving financial assistance in this instance, the Audit Committee's meeting No. 1/2567 on May 10, 2024, and the Special Board of Directors' meeting No. 1/2567 on June 14, 2024, resolved to propose the connected transaction to the shareholders for consideration at the Annual General Meeting on July 26, 2024. **The independent financial advisor has deemed the aforementioned procedures appropriate, consistent with the size of this significant connected transaction.**

4.3 History of Financial Assistance

The company has always recognized the importance of efficiently managing financial liquidity. The management team carefully allocates excess liquidity to achieve the highest possible returns for the surplus funds not needed for the company's core business operations. They evaluate offers based on the highest interest rates under suitable conditions. Historically, the company has engaged in connected transactions to provide financial assistance to MTC in a manner similar to the current transaction. However, previous financial assistance transactions with MTC did not qualify as significant connected transactions under the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551, dated August 31, 2008 (including any amendments), and the Notification of the Stock Exchange of Thailand Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected transactions, 2003, dated November 19, 2003 (including any amendments). As a result, past transactions were conducted based on resolutions approved by the company's Board of Directors.

The details of connected transactions with MTC for lending transactions during the years 2021 to 2023 and the first quarter of 2024 are as follows:

No	Start Date	End Date	Total Credit Limit	Amount	Interest Rate Received by KYE from MTC	Interest Rate from Financial Institutions
1	6 Jan 2021	6 Jan 2022	100.00 million Baht	70.00 million Baht	0.80 percent	0.50 – 0.75 percent
2	7 Jan 2022	7 Jan 2023	100.00 million Baht	70.00 million Baht	0.77 percent	0.40 – 0.65 percent
3	28 Feb 2022	28 Feb 2023	100.00 million Baht	15.00 million Baht	0.77 percent	0.40 – 0.65 percent
4	24 Jan 2023	24 Jan 2024	100.00 million Baht	90.00 million Baht	1.50 percent	1.00 – 1.20 percent
5	24 Jan 2024	24 Jan 2025	100.00 million Baht	90.00 million Baht	2.50 percent	1.70 – 1.95 percent

In the past, for Cash Pooling transactions, the company operated under resolutions approved by the company's Board of Directors, similar to the lending transactions. The company allowed MTC to manage the funds in the company's current account with Bank of Ayudhya in the Cash Pooling system after 4:00 PM each day, with the requirement to return the funds to the account by 9:00 AM the next morning.

During the years 2021 to 2023 and the first quarter of 2024, the company did not extend any loans to financial institutions or external parties. This is because the company's management aimed to achieve appropriate returns by allocating excess liquidity in the form of deposits only, without seeking returns through lending.

4.4 Impact of Financial Assistance by KYE

The provision of loans to MTC up to a maximum of 2,000 million Baht will result in the company's highly liquid assets, including cash and cash equivalents and other current financial assets, decreasing from 4,635.09 million Baht to 2,635.09 million Baht. However, a review of the company's financial statements over the past three years, from April 1, 2021, to March 31, 2022, April 1, 2022, to March 31, 2023, and April 1, 2023, to March 31, 2024, demonstrates that the company maintains a stable financial position. After lending MTC up to 2,000 million Baht, the company will still have sufficient working capital without affecting its business operations. The detailed impact is as follows:

Summary of the Company's Key Financial Information

the Company's Key Financial Information	As of March 31, 2022 (Audited)	As of March 31, 2023 (Audited)	As of March 31, 2024 (Audited)
	Million Baht	Million Baht	Million Baht
Income Statement			
Total Revenue	8,484.07	8,764.72	7,770.54
Cost of Sales and Services	7,059.71	7,517.45	6,108.78
Selling Expenses	462.58	493.23	291.41
Administrative Expenses	651.24	614.01	575.12
Total Expenses	8,173.53	8,624.68	6,975.31
Financial Costs	(0.31)	(0.33)	(0.53)
Share of Profit from Associates	2.19	2.27	0.97
Income Tax Revenue (Expense)	24.65	17.60	(58.05)
Profit for the Year	337.06	159.58	737.62
Statement of Financial Position			
Current Assets			
- Cash and Cash Equivalents	739.26	630.63	222.31
- Other Current Financial Assets	3,030.00	2,820.00	4,412.78
- Other Current Assets	2,582.09	2,507.96	1,817.97
Total Current Assets	6,351.35	5,958.59	6,453.06
Non-Current Assets			
Total Assets	10,253.18	9,645.45	11,114.76
Current Liabilities			
Non-Current Liabilities	713.17	655.55	903.28
Total Liabilities	2,241.36	1,746.37	1,746.55
Shareholders' Equity	8,011.82	7,899.09	9,368.21
Total Liabilities and Shareholders' Equity	10,253.18	9,645.45	11,114.76
Key Financial Ratios			
Current Ratio	4.16	5.46	7.65
Debt to Equity Ratio	0.28	0.22	0.19
Interest Bearing Debt to Equity Ratio	<0.01	<0.01	<0.01

When considering the comprehensive income statements over the past three years, from April 1, 2021, to March 31, 2022, from April 1, 2022 to March 31, 2023, and from April 1, 2023 to March 31, 2024, it is evident

that the company has demonstrated strong performance. The company has consistently maintained a stable revenue level, and its operations have resulted in continuous net profits. Based on the performance and financial position over the past three years, it can be concluded that the company will be able to maintain adequate liquidity for its business operations and is unlikely to face liquidity shortages over the next five years.

For the company's financial position statement, it has consistently demonstrated financial stability. The liquidity ratios as of March 31, 2022, March 31, 2023, and March 31, 2024, are 4.16, 5.46, and 7.65, respectively, indicating a very high level of liquidity. Additionally, the company's debt-to-equity ratio (D/E Ratio) remains low, standing at 0.28, 0.22, and 0.19 as of March 31, 2022, March 31, 2023, and March 31, 2024, respectively, reflecting a robust financial structure. Furthermore, when examining the interest-bearing debt-to-equity ratio as of March 31, 2022, March 31, 2023, and March 31, 2024, it is less than 0.01 in all three years. As of these dates, the company's only interest-bearing debt comprises lease liabilities, totaling 18.36 million Baht, 21.66 million Baht, and 15.44 million Baht, respectively, representing 0.18%, 0.22%, and 0.14% of the company's total assets.

4.5 Performance and Financial Position of MTC

The company's management has assessed the repayment ability of MTC, which is the counterparty in this connected transaction. The assessment comprehensively covered the nature of the business, reputation, reliability, performance, and financial position of MTC. After thorough consideration, the company's management believes that MTC will be able to repay the full amount to the company on time as agreed between both parties. Historically, MTC has always made timely repayments in full and has never requested an extension due to an inability to repay.

MTC's financial statements for the past three years, from April 1, 2021 to March 31, 2022, from April 1, 2022 to March 31, 2023, and from April 1, 2023 to March 31, 2024, are as follows:

Statement of Financial Position of MTC

Statement of Financial Position	Financial Statements for the Year Ended					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million	Percent	Million	Percent	Million	Percent
Assets						
Current Assets						
Cash and Cash Equivalents	2,583.87	9.36	3,523.28	15.51	3,000.71	8.40
Short-term Loans to Related Parties	24,980.61	90.52	19,187.07	84.45	32,703.10	91.50
Accrued Interest Receivables	28.77	0.10	8.53	0.04	37.64	0.11
Other Receivables	1.59	0.01	0.93	<0.01	0.12	<0.01
Total Current Assets	27,594.84	99.99	22,719.80	100.00	35,741.57	100.00
Non-Current Assets						
Equipment	0.19	<0.01	0.13	<0.01	0.18	<0.01
Other Non-Current Assets	1.20	<0.01	0.76	<0.01	0.35	<0.01
Total Non-Current Assets	1.39	0.01	0.89	<0.01	0.53	<0.01
Total Assets	27,596.23	100.00	22,720.69	100.00	35,742.10	100.00

Statement of Financial Position	Financial Statements for the Year Ended					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million	Percent	Million	Percent	Million	Percent
Liabilities and Shareholders' Equity						
Current Liabilities						
Short-term Loans from Related Parties	27,082.82	98.14	22,090.93	97.23	34,731.03	97.17
Accrued Interest Payable to Related Parties	57.64	0.21	68.35	0.30	172.68	0.48
Other Payables	42.33	0.15	48.16	0.21	120.39	0.34
Income Tax Payable	-	-	0.45	<0.01	2.06	<0.01
Other Current Liabilities	0.80	0.00	0.85	<0.01	1.24	<0.01
Total Current Liabilities	27,183.59	98.50	22,208.73	97.75	35,027.41	98.00
Non-Current Liabilities						
Employee Retirement Benefit Obligations	2.09	0.01	2.67	0.01	3.25	0.01
Total Non-Current Liabilities	2.09	0.01	2.67	0.01	3.25	0.01
Total Liabilities	27,185.68	98.51	22,211.40	97.76	35,030.65	98.01
Shareholders' Equity						
Registered Capital	193.00	0.70	193.00	0.85	193.00	0.54
Paid-up Capital	193.00	0.70	193.00	0.85	193.00	0.54
Retained Earnings	217.55	0.79	316.29	1.39	518.45	1.45
Total Shareholders' Equity	410.55	1.49	509.29	2.24	711.45	1.99
Total Liabilities and Shareholders' Equity	27,596.23	100.00	22,720.69	100.00	35,742.10	100.00

Income Statement of MTC

Income Statement	Financial Statements for the Year Ended					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million	Percent	Million	Percent	Million	Percent
Total Revenue	237.13	100.00	348.88	100.00	808.01	100.00
Expenses						
Financial Costs	183.08	77.21	223.35	64.02	576.22	71.31
Administrative Expenses	22.75	9.59	24.93	7.14	25.25	3.13
Total Expenses	205.82	86.80	248.27	71.16	601.48	74.44
Profit Before Income Tax	31.30	13.20	100.60	28.84	206.53	25.56
Income Tax	-	-	1.87	0.53	4.37	0.54
Profit for the Year	31.30	13.20	98.74	28.30	202.16	25.02

Key Financial Ratios of MTC

Key Financial Ratios	Financial Statements for the Year Ended		
	March 31, 2022	March 31, 2023	March 31, 2024
Net Profit Margin (%)	13.20	28.30	25.02
Current Ratio (times)	1.02	1.02	1.02

Given the nature of MTC's business operations, which have long involved managing the finances of the MELCO group in Thailand, and based on the financial statements for the past three years from April 1, 2021, to March 31, 2022, from April 1, 2022, to March 31, 2023, and from April 1, 2023, to March 31, 2024, it can be concluded that there are no indications that MTC is likely to default on its obligations to the company. This conclusion is supported by MTC's continuous profitability during the periods, with net profits of 31.30 million Baht, 98.74 million Baht, and 202.16 million Baht, and net profit margins of 13.20%, 28.30%, and 25.02%, respectively, reflecting stable performance.

In summary, MTC maintains a strong financial position, successfully balancing deposits and loans over the past three years, with a current ratio of 1.02 as of March 31, 2022, March 31, 2023, and March 31, 2024.

Additionally, interviews with the company's management reveal that MTC is a subsidiary of Mitsubishi Electric Corporation from Japan, a well-known and reputable company with a long-standing transaction history with the company of over 20 years. Historically, MTC has always repaid the company in full and on time, both for loan transactions and Cash Pooling transactions, and has never requested an extension due to an inability to repay.

4.6 Advantages of Entering the Transaction

4.6.1 Expected Higher Returns Compared to Deposits with Financial Institutions

By engaging in this connected transaction through financial assistance to MTC, the Company will compare the returns offered by MTC with the fixed deposit interest rates provided by financial institutions. This ensures effective management of excess liquidity. The Company will always consider the conditions from both MTC and financial institutions before proceeding with the transaction. Historically, the Company has been able to reclaim the loan for business operations at any time under favorable conditions with MTC. This flexibility is beneficial for urgent financial needs, allowing the Company to re-borrow the equivalent amount at the same interest rate received, thus ensuring efficient working capital management throughout the contract term.

The management aims to seek the highest returns under appropriate conditions from excess liquidity allocation, treating it as a deposit rather than a loan, thus precluding comparisons with loan interest rates.

4.6.2 Effective Management of Excess Liquidity

The Company currently has excess liquidity beyond its operational needs, managed through various forms of deposits with financial institutions. As of March 31, 2024, the Company had highly liquid assets totaling THB 4,635.09 million, including THB 222.31 million in cash and cash equivalents, and THB 4,412.78 million in other current financial assets such as fixed deposits. After accounting for annual expenses and emergency reserves, the management estimates that up to THB 2,000 million in excess liquidity could be allocated for additional returns.

Thus, the management seeks to optimize this excess liquidity by increasing the loan facility with MTC from the existing THB 100 million to THB 2,000 million.

This transaction will enhance the efficiency of excess liquidity management, benefiting the Company by enabling loans to MTC within the increased limit. If MTC offers a higher interest rate than financial institutions, the Company will gain additional interest returns. Moreover, the Company retains the option to re-borrow the loaned amount at the same interest rate for urgent business needs, ensuring that excess liquidity allocation does not disrupt cash flow management.

4.7 Disadvantages of Entering the Transaction

4.7.1 Loss of Investment and Business Expansion Opportunities

Providing financial assistance to MTC up to a maximum amount of THB 2,000 million for a period of five years might result in the Company missing out on new investment projects that could potentially offer higher returns than the interest rate from MTC. Additionally, this may lead to missed opportunities for expanding the Company's existing business operations.

However, currently, the Company does not have any significant investment or expansion plans requiring substantial funding. In urgent financial situations, the Company can re-borrow part or all of the loaned amount at the same interest rate received from MTC.

4.7.2 Potential Reduction in the Company's Liquidity

The financial assistance to MTC, capped at THB 2,000 million, could impact the Company's liquidity. The transaction value should be compared with the financial statements over the past three years, from April 1, 2021 to March 31, 2022, April 1, 2022 to March 31, 2023, and April 1, 2023 to March 31, 2024, as follows:

Comparison of the Loan Amount with the Company's Financial Position	Unit	Financial Statements for the Year Ended			
		March 31, 2022	March 31, 2023	March 31, 2024 (Before Transaction)	March 31, 2024 (After Transaction)
Cash and Cash Equivalents	Million Baht	739.26	630.63	222.31	222.31
Other Current Financial Assets	Million Baht	3,030.00	2,820.00	4,412.78	2,412.78
Excess Liquidity (Cash and Cash Equivalents + Other Current Financial Assets)	Million Baht	3,769.26	3,450.63	4,635.09	2,635.09
Percentage of Transaction Amount Compared to Excess Liquidity	Percent	53.06	57.96	43.15	-
Total Assets	Million Baht	10,253.18	9,645.45	11,114.76	11,114.76
Percentage of Transaction Amount Compared to Total Assets	Percent	19.51	20.74	17.99	-

When comparing the transaction amount not exceeding THB 2,000 million with the financial statements over the past three years from April 1, 2021 to March 31, 2022, April 1, 2022 to March 31, 2023, and April 1, 2023 to March 31, 2024, it is found that this transaction amount accounts for 53.06%, 57.96%, and 43.15% of

the excess liquidity, respectively. It also accounts for 19.51%, 20.74%, and 17.99% of the total assets, respectively.

Although this financial assistance will reduce the excess liquidity, which includes cash and cash equivalents and other current financial assets, from THB 4,635.09 million as of March 31, 2024, to THB 2,635.09 million, the Company expects that the remaining liquidity will be sufficient for business operations. Additionally, in case the Company needs working capital, it can re-borrow the loaned amount at any time for business operations, thereby mitigating the risk of liquidity shortages.

4.8 Advantages of Not Entering the Transaction

4.8.1 The Company Will Not Lose Investment and Business Expansion Opportunities

If the Company decides not to engage in the connected transaction by providing a loan to MTC, it will retain excess liquidity that can be used for new investments or expanding its existing business. However, the Company currently has no significant plans for investment or business expansion. Additionally, the Company may miss out on higher interest returns than those from deposits with financial institutions over the five-year period.

4.8.2 The Company's Liquidity Will Not Decrease

By not engaging in the connected transaction with MTC, the Company's financial position and liquidity ratios will remain unchanged. The Company can explore other investment options that may offer higher returns than lending to MTC. Nonetheless, the management will compare the returns and conditions to ensure the best interests of the Company and its shareholders are preserved.

4.9 Disadvantages of Not Entering the Transaction

4.9.1 Loss of Opportunity to Earn Higher Returns than Deposits with Financial Institutions

If the shareholders' meeting does not approve this connected transaction, the Company may lose the opportunity to earn higher returns than those from financial institution deposits. The interest rate offered by MTC at the end of December 2023 was 2.50% per year, higher than the 1.70% - 1.95% per year offered by financial institutions. Without lending to MTC, the management will consider alternative options for suitable returns from unrelated parties, which may be lower than those offered by MTC.

4.9.2 The Company Will Have Excessive Liquidity

If the Company does not proceed with the connected transaction by lending to MTC, it will have excessive liquidity while management looks for other cash management options. This results in less efficient excess liquidity management than expected.

4.10 Advantages of Entering the Transaction with Related Parties

4.10.1 Flexibility in Setting Transaction Terms

In this financial assistance transaction, the Company aims to allocate excess liquidity to achieve the highest interest rates under conditions where the Company can re-borrow the funds for business operations at

any time. This ensures that excess liquidity allocation does not affect cash flow management. MTC, as the borrower, can offer terms allowing the Company to re-borrow at the same interest rate it provided to MTC, ensuring flexible access to cash in emergencies for business liquidity.

4.11 Disadvantages of Entering into the Transaction with Related Parties

4.11.1 Costs from Compliance with Connected transaction Regulations

Since this transaction falls under the category of a connected transaction according to the relevant regulations, the transaction amount, which is 26.77% of the Company's net tangible assets plus an additional 1.08% of net tangible assets from connected transactions in the past six months, totals 27.85% of the Company's net tangible assets. This qualifies as a large connected transaction. Therefore, the Company is required to comply with various conditions of the connected transaction regulations, including holding a shareholders' meeting to approve the transaction and appointing an independent financial advisor to provide an opinion on the transaction, which incurs additional costs for the Company.

4.12 Risks of Entering into the Transaction

4.12.1 Risk of MTC's Inability to Repay

MTC, the borrower in this transaction, manages the finances of MELCO group companies in the Asia-Pacific region, comprising 29 companies, including 11 in Thailand, 3 in India, 3 in Indonesia, 3 in the Philippines, 3 in Malaysia, 2 in Singapore, 2 in Vietnam, 1 in Myanmar, and 1 in Australia. MELCO group companies routinely provide and receive financial assistance from each other through MTC, which oversees financial management among MELCO group companies in the Asia-Pacific region. MTC is licensed to operate as a treasury center under the supervision of the Ministry of Finance and the Bank of Thailand. As of March 31, 2024, MTC had a debt-to-equity ratio of 49.24 times, posing a risk that MTC might not be able to repay the loan.

The independent financial advisor could not find comparable companies to evaluate the appropriateness of MTC's debt-to-equity ratio due to MTC's specific business as a treasury center, borrowing from and lending to MELCO group companies, resulting in relatively low shareholders' equity. No comparable companies were found in the financial sector listed on the Stock Exchange of Thailand. Therefore, the independent financial advisor will consider MTC's repayment ability based on its credibility, repayment history, and other operational results.

Other information about MTC indicates it is managed by Mitsubishi Electric Corporation, a reputable Japanese company and a long-standing partner of the Company. Financial statements over the past three years (April 1, 2021, to March 31, 2022; April 1, 2022, to March 31, 2023; and April 1, 2023, to March 31, 2024) show consistent revenue growth for MTC, with total revenues of THB 237.13 million, THB 348.88 million, and THB 808.01 million, respectively, and net profits of THB 31.30 million, THB 98.74 million, and THB 202.16 million, respectively. MTC has consistently repaid loans on time and has never requested an extension due to inability to repay. Therefore, the Company's management believes MTC can repay the loan fully and on time.

4.12.2 Risk of Terms Imposed by Related Parties

This connected transaction involves MTC, whose major shareholder is the same as the Company's major shareholder, MELCO, holding 45.70% of the Company's issued and outstanding common shares and

99.99% of MTC's issued and outstanding common shares. Hence, MELCO, as the major shareholder of the Company, has control over certain operations by appointing representatives to manage the Company, creating a risk of terms being imposed that may not be in the best interest of the Company.

However, the interest rates and terms of the transaction must be correctly and thoroughly approved by the management, the audit committee, and the board of directors, who have no vested interest, and must be carefully considered to propose for shareholder approval.

4.13 Summary of Opinions on the Reasonableness of the Transaction

After considering the advantages and disadvantages of entering into the transaction, the pros and cons of not entering into the transaction, the benefits and drawbacks of engaging in the transaction with related parties, and the risks associated with the transaction, the independent financial advisor believes that **shareholders should approve the connected transaction**. This is because the company will be able to efficiently manage its excess liquidity to maximize benefits by allocating cash, which is the excess liquidity, to achieve the highest possible interest rate. Additionally, under the terms that allow the company to borrow back the funds for use in business operations at any time, the allocation of excess liquidity will not adversely affect the company's cash flow management for its business operations.

Part 5: Summary of Opinion of the Independent Financial Advisor

By considering information and reason as mentioned in the IFA Report, the IFA opines that the shareholders **should approve the Connected Transaction.**

The shareholders could read the summary of the IFA's opinion in Part 1 "Executive Summary" of the IFA Report.

Nevertheless, in deciding whether to approve or not to approve the Connected Transaction, the shareholder of the Company could consider information, reason, and opinion on issues as the IFA mentioned in the IFA Report. However, the decision to approve or not to approve the Connected Transaction will be based on the shareholder of the Company's discretion.

Finnex Advisory Company Limited as the Independent Financial Advisor of the Company, hereby certify that the IFA has studied, considered, and analyzed the information as per the professional standard, and has given the opinion based on reasonableness and fair analysis, in concern of benefit of the Company's shareholders.

Yours Sincerely,

- Mr. Vorachart Tuaycharoen -

(Mr. Vorachart Tuaycharoen)

Managing Director

Finnex Advisory Company Limited

- Mr. Tawi Thawankijdumrong -

(Mr. Tawi Thawankijdumrong)

Supervisor

Finnex Advisory Company Limited

Attachment 1: Summary Information of Kang Yong Public Company Limited

1. Preliminary Information

Kang Yong Electric Public Company Limited was founded on January 12, 1964, by Mr. Sitthipol Potivorakoon with an initial registered capital of 10 million Baht under the name Kang Yong Electric Manufacturing Company Limited. This was a joint venture between the Potivorakoon family and Mitsubishi Electric Corporation of Japan. The company's business objective was to produce and distribute home electrical appliances under the "Mitsubishi Electric" trademark. In 1993, the company was approved to be listed on the Stock Exchange of Thailand, transforming into a public company and changing its name to "Kang Yong Electric Public Company Limited" with the stock symbol "KYE." The registered paid-up capital was 220 million Baht, consisting of 22 million ordinary shares with a par value of 10 Baht per share. On September 12, 2019, the company reduced its registered capital to 198 million Baht or 19.8 million shares.

Currently, the company has offices and factories located on 73 rai, 2 ngan, and 23 square wah of land at 67 Moo 11 Theparak Road, KM. 20, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan 10540. The company manufactures and distributes home electrical appliances, including refrigerators, electric fans, ventilation fans, and water pumps. The production is licensed and uses technology from Mitsubishi Electric Corporation of Japan, which is a joint venture partner.

2. Background

Month Year	Important changes and developments
April 2023	<ul style="list-style-type: none"> The Water Pump Products Division is committed to maintaining the quality, performance, and safety functions in accordance with Mitsubishi Electric standards in the R-series water pump products. These products adhere to the safety quality standards of TIS 1548-2008 and have retained their position as the number one brand in the Thai market for the sixth consecutive year, based on the water pump product popularity survey by Marketeer magazine for 2022-2023.
May 2023	<ul style="list-style-type: none"> The new 218-liter 2-door freezer model is designed with two separate freezer compartments for more convenient and easier use while minimizing cold air loss inside the unit. These refrigerators are exported to Japan.
June 2023	<ul style="list-style-type: none"> The new 3-door Bottom Freezer refrigerator model includes an EGG BOX ASSY for more organized storage, making it more convenient and easier to use. The position of the EGG BOX ASSY can be adjusted according to user needs. These refrigerators are exported to Japan.
July 2023	<ul style="list-style-type: none"> The installation of the First Board Inspection machine aims to enhance the accuracy and reliability of checking the correctness of electronic part placements on refrigerator circuit boards from the chip mounter. This machine records inspection results automatically, reducing the time required for manual inspection by employees. Additionally, it contributes to environmental conservation by reducing paper usage and allows for the retrieval of historical inspection data.

Month Year	Important changes and developments
August 2023	<ul style="list-style-type: none"> • We manufacture 20 cm and 30 cm blade exhaust fans for the Japanese market, featuring ball-bearing motors for enhanced durability and longer lifespan. • We manufacture wall-mounted exhaust fans with blade sizes of 20, 25, and 30 cm, as well as duct-mounted exhaust fans with sizes of 10 and 15 cm, to expand into the Indian market.
September 2023	<ul style="list-style-type: none"> • A new 2-door freezer model with a 218-liter capacity has been produced. This freezer features two separate freezer compartments, making it more convenient and easier to use while minimizing the loss of cold air inside the unit. These freezers are being exported to Australia and Taiwan. • Production has begun on a new model of floor-standing fans with 16-inch blades, designed for export to Vietnam. The fan features a modern design and new functions, including Night mode, which reduces light on the control panel and mutes sound to avoid disturbing nighttime rest. Additionally, it includes a Child lock for added safety, preventing children from tampering with the fan's settings, which could lead to accidents.
December 2023	<ul style="list-style-type: none"> • A new 400-liter 4-door bottom freezer refrigerator has been produced. It features two separate freezer compartments to segregate different types of food, thereby reducing odor contamination between food types. This design makes it more convenient and easier to use. These refrigerators are being exported to Taiwan.
January 2024	<ul style="list-style-type: none"> • To stimulate and increase sales of water pump products, the company has extended the motor warranty from 5 years to 11 years. This announcement has been communicated to consumers through the sales department of Mitsubishi Electric Kang Yong Watana Co., Ltd. • EGAT has announced an adjustment to the criteria for the Fiber 5 Energy Saving Label, increasing the highest rating from 3 stars to 5 stars. The company's water pump products have met the new criteria, receiving the Fiber 5 Plus 5 Star Energy Saving Label for all models. Most of the company's fans and ventilation fans have also achieved this rating. • A new 218-liter 2-door freezer model has been produced, featuring two separate freezer compartments for more convenient and easier usage while minimizing the loss of cold air inside the unit. These freezers are being sold domestically. • Production has begun on a new model of floor-standing fans with 16-inch blades for domestic sales. The fan features a modern design and new functions, including Night mode, which reduces light on the control panel and mutes sound to avoid disturbing nighttime rest. Additionally, it includes a Child lock for added safety, preventing children from tampering with the fan's settings, which could lead to accidents from their play.

Month Year	Important changes and developments
	<ul style="list-style-type: none"> Production has begun on a new model of adjustable height desk fans with 12-inch blades (R12-HRC) featuring a new 1-Click blade design. These fans are being exported to Singapore. The key feature of this model is its easy assembly and convenience in cleaning; with a single press of the release button, the blades can be easily removed for cleaning.
February 2024	<ul style="list-style-type: none"> Production has begun on a new model of adjustable height desk fans with 12-inch blades (R12-MC) featuring a new 1-Click blade design for domestic sales. The key feature of this model is its easy assembly and convenience in cleaning; with a single press of the release button, the blades can be easily removed for cleaning. Two special limited-edition fan models have been produced to celebrate the company's 60th anniversary: the adjustable height desk fan model R16A-GB with an AC motor, and the R12A-DA with a DC motor. These fans feature a special color scheme and display the company's 60th anniversary logo on the product to commemorate this milestone.
March 2024	<ul style="list-style-type: none"> A new 421-liter 2-door bottom freezer refrigerator model has been produced, featuring a large food storage compartment for more convenient and easier use. These refrigerators are being sold domestically.

3. Business Characteristic

The main revenue structure of the company

The main revenue structure of the company consists of income from the sales of refrigerators, electric fans, ventilation fans, and water pumps. The revenue structure for the years ending March 31, 2022, March 31, 2023, and March 31, 2024 is as follows:

Product (unit: million Baht)	For the year ending 31 March					
	Year 2022		Year 2023		Year 2024	
	Revenue	Percent	Revenue	Percent	Revenue	Percent
Value of Domestic and International Sales						
Electric fans and ventilation fans	1,291.2	16.3	1,352.4	16.3	1,207.4	17.1
Refrigerators	5,347.0	67.7	5,638.8	67.1	4,487.6	63.4
Water pumps	1,190.5	15.1	1,334.6	15.9	1,303.4	18.4
Others	69.2	0.9	72.8	0.9	80.9	1.1
Total value	7,897.9	100.0	8,398.6	100.0	7,079.3	100.0

Note: Other income includes revenue from the sale of spare parts.

Product Information:

(1) Nature of Products and Services

The company is a manufacturer and distributor of household electrical appliances, including refrigerators, electric fans, ventilation fans, and water pumps, under the “Mitsubishi Electric” brand. The company receives cooperation and support in product design technology and production systems from Mitsubishi Electric Corporation, Japan. The company focuses on producing high-quality, safe products with modern technology, energy efficiency, and environmental friendliness to meet customer needs and compete effectively in the market.

Refrigerator Products

The company focuses on research and development of refrigerator products to ensure they are designed to meet consumer needs in various aspects:

- Capless Design: A new exterior design that stands out with its beauty and distinctiveness, especially with door edges that lack plastic frames, making the refrigerator look more modern and elegant.
- 50:50 Door Design (Premium Design): A unique refrigerator design featuring a 50:50 door ratio, ideal for kitchen counter spaces, specifically for the HS series models.
- Easy to Use: Diverse designs with various models, door numbers, and capacities to suit consumer needs, ensuring convenience and time-saving.
 - Select Zone: A function that allows users to switch between Soft Freezing at approximately -7 degrees Celsius and Chilled Mode at 0 degrees Celsius. Soft Freezing technology extends the storage life of food in a “soft freezing” state, eliminating the need for defrosting and enabling immediate cooking, particularly for the FS series models.
- Healthy Technology: Integrating various food preservation technologies for better food hygiene, maintaining food freshness, and creating a clean environment within each compartment of the refrigerator. The technologies include:
 - Vegetable Drawer with Vitamin Factory: An independent vegetable drawer equipped with orange lighting and a humidity control system to keep vegetables and fruits fresh for longer.
 - Blue Catalyst Deodorizer: A new technology using blue light and antibacterial agents in the filter to inhibit bacterial growth by up to 99.9% and reduce unwanted odors.
 - Supercool Chilling Case: The latest technology that preserves meat or fish requiring special care at temperatures between 0 and -3 degrees Celsius, keeping the meat fresh and ready for cooking without defrosting.
 - Auto Ice Maker: An automatic ice-making system that is easy to remove and clean, ensuring consistently clean ice.
 - Anti-bacteria Foodliner: The interior walls of the freezer and refrigerator compartments are infused with antibacterial agents (silvery inorganic anti-bacteria material) to inhibit bacterial growth.
 - Minus Ion Surround Cooling System: A cooling system that distributes cold air evenly in all directions, combined with negative ions to maintain moisture and keep food fresh for longer.
 - Blue Catalyst Deodorizer: Utilizes blue light and antibacterial agents in the filter to inhibit bacterial growth by up to 99.9% and reduce unwanted odors.

- **High Quality with Environmentally Friendly & Energy Saving:** High-quality product standards that customers trust, along with being environmentally friendly and energy-efficient.
 - **Neuro Inverter System:** An intelligent microchip system that works in conjunction with an inverter compressor to provide maximum efficiency in all operating conditions.
 - **Premium Safety:** Superior safety standards, such as the use of non-flammable materials, the addition of components to prevent electrical leakage, the installation of devices to cut off electrical current in case of overcurrent, and devices to prevent overheating.
 - **Product Development:** Ensuring products meet the safety standards of industrial standards in each country and energy-saving requirements, as well as using environmentally friendly materials in compliance with international standards like the RoHS Standard.

Electric Fan Products

The company develops various types of fans to suit different applications, including desk fans, floor-standing fans, wall-mounted fans, oscillating fans, and ceiling fans. Each type offers models with various blade sizes appropriate for specific uses. Additionally, the company has developed closed-type fan motors, a patented technology by Mitsubishi Electric, which prevents dust and foreign particles from damaging the product, resulting in high durability and resilience in all conditions.

Beyond the commitment to develop each fan model with quality, durability, and safety in line with Mitsubishi Electric standards, the company has also designed and developed fans with more diverse designs and functionalities over the past year. For instance, the new floor-standing fan models LV16-RB and LV16-GB were first introduced in Vietnam in September 2023 and later in Thailand in January 2024. These models feature a modern design and, in the LV16-RB model, a sleep mode function that turns off status lights to avoid disturbance during sleep. Additionally, the company has developed a semi-desk floor-standing fan model, R12-MC, with a ball bearing motor to extend its lifespan and a "one-click" blade lock mechanism for easier blade removal and reattachment. Users can simply press a button to remove the blade and press again to reattach it.

To add more variety and vibrancy for customers, the company has introduced new colors for the fans, such as pastel blue and pastel green for models R16A-GB and R18A-GB, and black for model R16A-GB, which is available exclusively at HomePro. Following the positive customer response to white fans in the previous year, the company has expanded the production of white fans to include models D16A-GB and D18A-GB.

Ventilation Fan Products

The company's ventilation fan products are designed to provide significant benefits and improve the quality of life for consumers. The company pays special attention to product development to ensure effective and efficient air circulation and ventilation. These products include wall-mounted, window-mounted, ductless ceiling-embedded, and ducted ceiling-embedded ventilation fans.

In the past year, the company has improved its wall-mounted and ceiling-embedded ventilation fan models sold in Japan by switching to ball bearing motors, which are more durable and have a longer lifespan. Additionally, the company is exploring opportunities to expand its market for ventilation fans. In August 2023, the

company shipped ventilation fans to India for market testing. If the response is favorable, it could lead to increased sales in the future.

Water Pump Products

The company develops and manufactures various types of water pumps to suit different user needs. These include water pumps for drawing water from wells or storage tanks, automatic pumps that operate based on faucet usage, constant pressure automatic pumps, and inverter pumps with electronic control systems that enhance energy efficiency.

The R-series water pump products, which began production in 2019, feature a new U-shaped impeller design that enhances water output and pressure, providing excellent energy savings. This design has received positive feedback both domestically and internationally. Starting in January 2024, the R-series pumps have been certified with the new highest 5-star Fiber 5 energy-saving standard in the country. In 2023, the R-series water pumps maintained their position as the number one brand in the Thai market for six consecutive years, according to a product popularity survey by Marketeer magazine.

(2) Marketing and Competition

The company distributes its products through three main market segments: the domestic market, the Japanese market, and other international markets. For the fiscal year 2023, the sales proportions were 41%, 45%, and 14%, respectively. Compared to the fiscal year 2022, the sales proportions for the domestic and Japanese markets have increased, while the sales proportion for other international markets has decreased. This decline is due to the impact of the economic recession and rising living costs, leading to slower sales, higher inventory levels in stores, and delayed restocking.

Distribution Channels

- **Domestic Market:** The company distributes its products through Mitsubishi Electric Kang Yong Watana Co., Ltd., the sole distributor for the company. This distributor utilizes various channels, including dealers, modern trade, and project sales, spread across all regions of Thailand. Warehouses have been established in Lampang and Khon Kaen provinces to reduce transportation time and expedite distribution. Additionally, to enhance competitiveness, the company has participated in the Made in Thailand (MiT) certification program by the Federation of Thai Industries, allowing its products to be eligible for government procurement tenders.
- **Other International Markets:** The company exports primarily through its subsidiaries within the Mitsubishi Electric Group, which have distributors worldwide, including in markets across Asia, Oceania, and the Middle East.

Domestic Market

The demand for electrical appliances in the country shows signs of a slight recovery, supported by factors such as the gradual economic and housing market recovery, rising temperatures due to global warming,

the marketing of new electrical appliances with a focus on health, and increased online sales to enhance information dissemination and stimulate purchasing decisions.

Overall, the demand for the company's electrical appliances in the domestic market declined in the past year. However, the company raised its selling prices and adjusted its strategy to focus on selling more profitable models, resulting in higher sales of premium products. The domestic market conditions for each product can be summarized as follows:

- **Refrigerators:** The overall market demand for refrigerators has decreased compared to the previous year, but there is an increased demand for larger capacity refrigerators. Consequently, the growth trend for 4-door refrigerators is rising. Additionally, the company introduced a new 2-door freezer model in January, leading to a similar growth trend in freezer demand.
- **Water Pumps:** The overall market demand for water pumps has slightly decreased compared to the previous year. During the first half of the year, retailers had high inventory levels, requiring time to clear out stock. However, the sales proportion of constant pressure automatic water pumps has increased, aligning with market demand.
- **Electric Fans:** The overall market demand has increased compared to the previous year. Sales and construction projects are gradually recovering. New fan designs, which replaced metal grilles with plastic ones, have received positive feedback from customers in Bangkok, its vicinity, and other provinces. Additionally, the company introduced new fan colors, such as white and pastel shades, which are also being well received in the market.
- **Ventilation Fans:** The overall market demand has grown significantly due to the recovery of construction projects. Condominium projects, especially in provincial areas, have shown increased growth compared to the previous year. As a result, ventilation fan sales have grown well in both provincial areas and modern trade retail channels.

Japanese Market

In the past year, Japan has faced a prolonged economic downturn, with citizens experiencing inflation, high prices, and a lack of confidence in the economy, leading to reduced household spending. The central bank saw the need to raise interest rates to curb inflation while simultaneously increasing income to stimulate spending.

The company exports products to the Japanese market, including refrigerators, electric fans, and ventilation fans. The market conditions for each product in Japan for the fiscal year 2023 can be summarized as follows:

- **Refrigerators:** Overall market demand has declined compared to the previous year. Demand for freezers, small 2-door refrigerators, and 3-door refrigerators has decreased, especially for freezers, as demand fell after the COVID-19 situation normalized. However, the new small 4-door refrigerator model, released last October, has received a positive response and shows high growth rates.
- **Electric Fans:** Overall market demand has decreased. Sales to projects such as schools, health centers, and hospitals continue to grow, but general sales have declined due to the economic situation, leading to reduced consumer spending and high inventory levels in stores.

- Ventilation Fans: Overall market demand has decreased. The rise in construction material prices has caused delays in construction projects, and some projects have been halted, impacting the growth of ventilation fan sales.

Other International Markets

The global economic slowdown has led to high inflation rates, particularly in major economies such as China and the United States. This has resulted in increased prices for commodities, including food, creating upward pressure on global inflation rates. The geopolitical issues of the prolonged Russia-Ukraine war and the rapid and significant interest rate hikes by major central banks have caused the currencies of emerging markets to weaken against the dollar.

Due to these factors, the company's export volumes for almost all products, except ventilation fans, have declined over the past year. The market conditions for each product for the fiscal year 2023 can be summarized as follows:

Refrigerators: Sales growth has declined due to economic recessions in several countries, such as Australia and New Zealand. High inflation and interest rates have reduced purchasing power, resulting in lower sales than planned. Retailers have high inventory levels, leading them to reduce order quantities to align with stock reduction policies.

Electric Fans: Sales growth has declined, mainly in Vietnam, where household spending has slowed due to the economic downturn and reduced purchasing power. Retailers have high inventory levels and have reduced order quantities to align with stock reduction policies.

Ventilation Fans: Sales growth has been high, mainly in Vietnam, where many construction projects, both public and private, have resumed normal operations following the easing of the COVID-19 situation.

(3) Product or Service Procurement

Nature of Product Procurement

(A) Product Development and Manufacturing Process

For the development of new product models, the company receives cooperation and support in design and manufacturing technology from Mitsubishi Electric Corporation, Japan. The process begins with studying and surveying market needs, leading to establishing requirements with customers. Based on these requirements, the company designs and develops new product models, which then move into the manufacturing process according to customer orders. In the past year, the company has focused on enhancing product safety to meet both Mitsubishi Electric Group standards and the standards of each country. This ensures customers have confidence in the safety and quality of the products.

The company's production method is characterized by mass production. Upon receiving customer orders, the company proceeds with production planning and the procurement of raw materials and components needed for manufacturing. The production process follows the set plans and includes

several key sub-processes: preparing production equipment, manufacturing parts, assembly, and packaging into finished products.

In the manufacturing process, the company emphasizes quality control at every stage. By using advanced tools and machinery, the company ensures that all products delivered to the market meet high-quality standards and fulfill customer and consumer requirements.

(B) Company's Product Service

The company has a department responsible for product quality assurance and after-sales service. This department coordinates with the company's product distributors in both domestic and international markets. It provides technical information on products, conducts technical training for new product models, exchanges information from consumers, and incorporates their feedback into new product development. The department also offers advice on the correct use of products, supplies spare parts, and manages after-sales services. Furthermore, it collaborates with the company's distributors to address any quality issues that may arise by rigorously analyzing causes and solutions. Additionally, the company has enhanced safety measures in response to potential installation problems that could endanger consumers. Training sessions now include safety precautions and proper installation techniques for distributors.

In 2022, the company advanced its product analysis capabilities by utilizing usage history data, issues encountered, and performance data recorded through the Microcontroller (IC) system during operation. This improvement aims to reduce the time required for troubleshooting and to identify issues faced by users of refrigerators with inverter compressors.

Company's Product Services

Company's Production Capacity and Output in 2021 – 2023

thousand / unit

Products	unit	2021	2022	2023
<i>Refrigerators</i>				
Full Production Capacity	units	1,100	1,200	1,200
Actual Production Volume	units	637	654	456
Production Capacity Utilization	percent	58%	55%	38%
<i>Electric Fans and Ventilation Fans</i>				
Full Production Capacity	units	1,800	1,800	1,800
Actual Production Volume	units	1,320	1,278	1,075
Production Capacity Utilization	percent	73%	71%	60%
<i>Water Pumps</i>				
Full Production Capacity	units	320	385	385
Actual Production Volume	units	296	302	291
Production Capacity Utilization	percent	93%	78%	78%

Raw Material Procurement

Raw Materials used in production

	Proportion of Procurement / Use (%)	Raw Material	
		Domestic Source	International Source
1. Compressors	6.6		✓
2. Steel for Parts	14.4	✓	✓
3. Foam Chemicals	5.1	✓	✓
4. Copper	6.3	✓	✓
5. Plastic Pellets	11.5	✓	✓
6. Electrical Wires	5.1	✓	✓
7. Motors	9.7	✓	✓
8. Cast Parts	5.0	✓	
9. Electronic Components	8.2	✓	✓
10. Cardboard Boxes	3.0	✓	
11. Others	25.1	✓	✓
Total	100.0		

Proportion of Domestic and International Raw Material Purchases

Raw materials imported from abroad, such as compressors and electronic components, are essential because the products manufactured by the company must meet the quality standards set by Mitsubishi Electric Corporation, which have specific characteristics. Therefore, certain parts and materials are sourced from reliable international suppliers. Additionally, purchasing large quantities of parts and raw materials through MELCO's subsidiaries helps reduce production costs.

4. List of Director

As of 11 March 2024, the Company has 14 directors as follows:

No	Name – Surname	Position
1	Mr. Praphad Phodhivorakhun	Chairman
2	Mr. Apichai Boontherawara	Independent director, Audit committee
3	Mr. Chayanind Phodhivorakhun	Director
4	Pol. Maj. Gen. Sahaschai Indrasukhsri	Independent director, Audit committee
5	Mr. Praphon Potivorakun	Director
6	Mr. Manu Leopairote	Independent director
7	Mr. Arthakrit Visudtibhan	Independent director, Chairman of the Audit Committee
8	Mr. Tatsuo Ono	Director
9	Mr. Keiji Oya	Vice chairman, Managing Director

No	Name – Surname	Position
10	Mr. Yasuhito Negishi	Director
11	Mr. Hitoshi Maruyama	Director
12	Mr. Osamu Sugimoto	Director
13	Mr. Kunihiko Seki	Director
14	Mr. Pumipat Sinacharoen	Independent director

Source: Company's affidavit dated 24 January 2024

5. List of Shareholders

As of 29 March 2024, List of the Company's major shareholders are as follows:

No	Name	Share	Percent
1	Mitsubishi Electric Corporation (MELCO)	9,048,020	45.70
2	Phodhivorakhun Company Limited	1,960,024	9.90
3	K Y Intertrade Company Limited	1,773,024	8.96
4	Kang Yong Company Limited	697,324	3.52
5	Mr. Supachai Suthipongchai	342,500	1.73
6	Mr. Somchin Leelaket	340,000	1.72
7	Bank of Singapore Limited	307,500	1.55
8	Mr. Chayanind Phodhivorakhun	265,583	1.34
9	Mrs. Sriratana Varikarn	258,307	1.30
10	Mr. Praphon Potivorakun	204,115	1.03
11	Ms. Yajai Tantraporn	176,200	0.89
12	Mr. Praphad Phodhivorakhun	170,970	0.86
13	Mr. Tiwa Chiraphattakun	158,000	0.80
14	Mr. Kongpop Limthong	156,800	0.79
15	Mrs. Waleeporn Ingthaneth	124,000	0.63
16	Mrs. Kittikanya Suthasit	120,273	0.61
17	Mr. Athakrit Wisutthipan	119,772	0.60
18	Mr. Anannit Wisutthipan	119,772	0.60
19	Ms. Kanoknart Wisutthipan	119,772	0.60
20	Mr. Chatchawan Piyaprapanpong	115,100	0.58
21	Ms. Sunee Sutanchainont	102,914	0.52
22	Other shareholders	3,190,030	16.14
	Total	19,800,000	100.00

Source: List of Shareholders as of the Latest Register Closing on March 29, 2024

6. Financial Statements Reflecting Investments Using the Equity Method**6.1 Statement of Financial Position**

Statement of Financial Position	As of March 31, 2022 (Audited)		As of March 31, 2023 (Audited)		As of March 31, 2024 (Audited)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Assets						
Current Assets						
Cash and cash equivalents	739.26	7.21	630.63	6.54	222.31	2.00
Trade receivables	1,202.34	11.73	1,041.53	10.80	908.85	8.18
Refundable VAT	54.57	0.53	49.80	0.52	37.19	0.33
Other receivables	28.51	0.28	30.71	0.32	45.03	0.41
Dividend receivables	-	-	-	-	-	-
Short-term loans to related parties	98.25	0.96	96.96	1.01	97.83	0.88
Inventories	1,180.55	11.51	1,271.35	13.18	722.38	6.50
Other current financial assets	3,030.00	29.55	2,820.00	29.24	4,412.78	39.70
Other current assets	17.87	0.17	17.62	0.18	6.70	0.06
Total Current Assets	6,351.35	61.95	5,958.59	61.78	6,453.06	58.06
Non-Current Assets						
Other non-current financial assets	2,328.41	22.71	2,195.94	22.77	3,214.61	28.92
Investments in associates	21.66	0.21	23.26	0.24	23.52	0.21
Investment property	3.91	0.04	3.91	0.04	3.91	0.04
Land, buildings, and equipment	1,491.22	14.54	1,405.27	14.57	1,365.55	12.29
Right-of-use assets	17.69	0.17	20.90	0.22	14.94	0.13
Intangible assets	27.19	0.27	27.17	0.28	29.23	0.26
Other non-current assets	11.75	0.11	10.41	0.11	9.94	0.09

Statement of Financial Position	As of March 31, 2022 (Audited)		As of March 31, 2023 (Audited)		As of March 31, 2024 (Audited)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Total Non-Current Assets	3,901.84	38.05	3,686.87	38.22	4,661.70	41.94
Total Assets	10,253.18	100.00	9,645.45	100.00	11,114.76	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Trade payables	1,147.05	11.19	769.00	7.97	541.85	4.88
Other payables	362.51	3.54	304.33	3.16	282.57	2.54
Lease liabilities due within one year	7.89	0.08	8.65	0.09	8.14	0.07
Accrued corporate income tax	-	-	-	-	2.65	0.02
Other current liabilities	10.74	0.10	8.84	0.09	8.05	0.07
Total Current Liabilities	1,528.19	14.90	1,090.82	11.31	843.26	7.59
Non-Current Liabilities						
Lease liabilities	10.47	0.10	13.01	0.13	7.30	0.07
Deferred tax liabilities	333.71	3.25	290.35	3.01	547.41	4.93
Provisions for damages	85.00	0.83	75.81	0.79	68.62	0.62
Non-current provisions for employee benefits	276.20	2.69	270.03	2.80	275.12	2.48
Provident fund	7.80	0.08	6.35	0.07	4.83	0.04
Total Non-Current Liabilities	713.17	6.96	655.55	6.80	903.28	8.13
Total Liabilities	2,241.36	21.86	1,746.37	18.11	1,746.55	15.71
Shareholders' Equity						
Share capital						

Statement of Financial Position	As of March 31, 2022 (Audited)		As of March 31, 2023 (Audited)		As of March 31, 2024 (Audited)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Authorized share capital						
(19,800,000 ordinary shares at 10 Baht each)	198.00	1.93	198.00	2.05	198.00	1.78
Issued and paid-up share capital						
(19,800,000 ordinary shares at 10 Baht each)	198.00	1.93	198.00	2.05	198.00	1.78
Share premium						
Share premium	726.10	7.08	726.10	7.53	726.10	6.53
Retained earnings						
Appropriated retained earnings						
Legal reserve	22.00	0.21	22.00	0.23	22.00	0.20
Other reserves	420.00	4.10	420.00	4.35	420.00	3.78
Unappropriated retained earnings	4,913.09	47.92	4,906.33	50.87	5,560.52	50.03
Other components of shareholders' equity	1,732.63	16.90	1,626.65	16.86	2,441.59	21.97
Total Shareholders' Equity	8,011.82	78.14	7,899.09	81.89	9,368.21	84.29
Total Liabilities and Shareholders' Equity	10,253.18	100.00	9,645.45	100.00	11,114.76	100.00

6.2 Income Statement

Income Statement	As of March 31, 2022 (Audited)		As of March 31, 2023 (Audited)		As of March 31, 2024 (Audited)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenue						
Revenue from Sales and Services	7,897.89	93.09	8,398.64	95.82	7,079.28	91.10
Investment Income	478.50	5.64	277.56	3.17	604.18	7.78
Net Gain from Foreign Exchange	40.55	0.48	21.84	0.25	33.42	0.43
Other Income	67.13	0.79	66.68	0.76	53.67	0.69
Total Revenue	8,484.07	100.00	8,764.72	100.00	7,770.54	100.00
Expenses						
Cost of Sales and Services	7,059.71	83.21	7,517.45	85.77	6,108.78	78.61
Selling Expenses	462.58	5.45	493.23	5.63	291.41	3.75
Administrative Expenses	651.24	7.68	614.01	7.01	575.12	7.40
Total Expenses	8,173.53	96.34	8,624.68	98.40	6,975.31	89.77
Operating Profit	310.54	3.66	140.04	1.60	795.23	10.23
Finance Costs	(0.31)	0.00	(0.33)	0.00	(0.53)	-0.01
Share of Profit from Associates	2.19	0.03	2.27	0.03	0.97	0.01
Profit Before Income Tax	312.42	3.68	141.98	1.62	795.67	10.24
Income Tax Income (Expense)	24.65	0.29	17.60	0.20	(58.05)	-0.75
Profit for the Year	337.06	3.97	159.58	1.82	737.62	9.49

Income Statement	As of March 31, 2022 (Audited)		As of March 31, 2023 (Audited)		As of March 31, 2024 (Audited)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Other Comprehensive Income						
Items that will not be Reclassified to Profit or Loss						
Gains (Losses) on Investments in Equity Instruments Designated to be Measured at Fair Value through Other Comprehensive Income	(278.73)	-3.29	(132.47)	-1.51	1,018.67	13.11
Gains (Losses) on Revaluation of Defined Benefit Plans	8.58	0.10	3.69	0.04	(2.81)	-0.04
Income Tax Relating to Items that will not be Reclassified to Profit or Loss	54.03	0.64	25.76	0.29	(203.17)	-2.61
Total Items that will not be Reclassified	(216.12)	-2.55	(103.03)	-1.18	812.69	10.46
Other Comprehensive Income (Loss) for the Year - Net of Income Tax	(216.12)	-2.55	(103.03)	-1.18	812.69	10.46
Total Comprehensive Income for the Year	120.94	1.43	56.55	0.65	1,550.30	19.95
Basic Earnings per Share (Baht)	17.02		8.06		37.25	

6.3 Statement of Cash Flows

Statement of Cash Flows	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024
	(Audited)	(Audited)	(Audited)
	Million Baht	Million Baht	Million Baht
Cash Flows from Operating Activities			
Profit for the Year	337.06	159.58	737.62
Adjustments to Reconcile Profit to Net Cash Provided by Operating Activities			
Income Tax Expense (Income)	(24.65)	(17.60)	58.05
Finance Costs	0.31	0.33	0.53
Depreciation	359.22	341.02	306.22
Amortization	7.90	8.32	10.29
Provisions for Damages	48.84	56.95	39.51
Non-Current Provisions for Employee Benefits	24.39	25.09	30.89
Unrealized Gain from Exchange Rates	11.86	(0.17)	(2.40)
Share of Profit from Associates	(2.19)	(2.27)	(0.97)
Loss (Reversal) on Inventory Valuation	5.22	9.33	(16.19)
Gain on Disposal of Buildings and Equipment	2.03	(0.27)	(0.20)
Dividend Income	(439.42)	(235.31)	(509.49)
Interest Income	(21.91)	(28.40)	(77.51)
Rental Income	(17.18)	(13.85)	(17.18)
Net Changes	291.49	302.73	559.19
Changes in Operating Assets and Liabilities			
Trade Receivables	(117.25)	158.43	136.91
Refundable VAT	(21.56)	4.77	12.61
Other Receivables	(10.84)	6.81	0.80

Statement of Cash Flows	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024
	(Audited)	(Audited)	(Audited)
	Million Baht	Million Baht	Million Baht
Inventories	(417.16)	(100.14)	565.16
Other Current Assets	(6.14)	0.26	10.92
Other Non-Current Assets	0.49	1.34	0.47
Trade Payables	255.41	(375.76)	(229.05)
Other Payables	(29.06)	(23.94)	(41.77)
Other Current Liabilities	3.26	(1.90)	(0.78)
Payment for Provisions for Damages	(63.10)	(66.14)	(46.71)
Payment for Employee Benefits	(44.67)	(27.57)	(28.61)
Payment for Provident Fund	(2.48)	(1.45)	(1.52)
Net Cash Provided by (Used in) Operating Activities	(161.62)	(122.56)	937.63
Income Tax Paid	(57.00)	(0.94)	(1.52)
Net Cash Provided by (Used in) Operating Activities	(218.62)	(123.50)	936.10
Cash Flows from Investing Activities			
Net Cash Provided by (Used in) Other Current Financial Assets	570.00	210.00	(1,592.78)
Cash Received from Disposal of Buildings and Equipment	1.96	1.74	1.73
Cash Paid for Purchase of Buildings and Equipment	(337.20)	(281.71)	(239.05)
Cash Paid for Purchase of Intangible Assets	(4.90)	(8.30)	(12.35)
Short-Term Loans to Related Parties	(343.33)	(295.99)	(85.18)
Cash Received from Repayment of Short-Term Loans to Related Parties	339.68	297.27	84.31
Dividend Received	439.42	235.99	510.20
Interest Received	30.33	20.34	62.39

Statement of Cash Flows	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024
	(Audited)	(Audited)	(Audited)
	Million Baht	Million Baht	Million Baht
Rental Income	17.26	13.85	17.18
Net Cash Provided by (Used in) Investing Activities	713.23	193.20	(1,253.56)
Cash Flows from Financing Activities			
Cash Paid for Lease Liabilities	(8.73)	(8.95)	(9.83)
Dividends Paid to Shareholders	(499.95)	(169.29)	(81.18)
Net Cash Used in Financing Activities	(508.68)	(178.24)	(91.01)
Net Decrease in Cash and Cash Equivalents			
Before Effect of Exchange Rate Changes	(14.07)	(108.54)	(408.47)
Effect of Exchange Rate Changes			
on Cash and Cash Equivalents	(2.19)	(0.09)	0.15
Net Decrease in Cash and Cash Equivalents	(16.26)	(108.63)	(408.32)
Cash and Cash Equivalents at Beginning of Year	755.52	739.26	630.63
Cash and Cash Equivalents at End of Year	739.26	630.63	222.31
Non-Cash Items			
Buildings and equipment purchased during the year are detailed as follows			
Total buildings and equipment purchased during the year	(381.27)	(247.83)	(258.98)
Increase (decrease) in payables for buildings and equipment	44.07	(33.88)	19.93
Net purchase of buildings and equipment paid in cash	(337.20)	(281.71)	(239.05)

7. Analysis of Operating Results and Financial Position

Revenue from Sales and Services

In the fiscal year 2023, the company's revenue from sales and services amounted to 7,079.3 million Baht, a decrease of 1,319.3 million Baht or -15.7% from 8,398.6 million Baht in 2022. The differences are broken down into three main business segments as follows:

- Domestic Market: In 2023, revenue from sales and services was 2,962.1 million Baht, a decrease of 371.1 million Baht from 3,333.2 million Baht in 2022, representing a -11.1% decrease. This was primarily due to reduced sales of refrigerators and water pumps.
- Japanese Market: In 2023, revenue from sales and services was 3,136.4 million Baht, a decrease of 399.5 million Baht from 3,535.9 million Baht in 2022, representing a -11.3% decrease. This was mainly due to a decline in sales across all products.
- Other International Markets: In 2023, revenue from sales and services was 980.8 million Baht, a decrease of 548.8 million Baht from 1,529.6 million Baht in 2022, representing a -35.9% decrease. This was primarily due to a reduction in sales across all products.

Revenue from Investments and Other Income

In the fiscal year 2023, revenue from investments and other income amounted to 691.7 million Baht, an increase of 323.7 million Baht or 88.0% compared to 2022. This was primarily due to an increase in investment income by 326.6 million Baht, an increase in net foreign exchange gains by 11.6 million Baht, and a decrease in other income by 13.0 million Baht.

Cost of Sales and Expenses

The cost of sales and services in the fiscal year 2023 accounted for 86.3% of revenue from sales and services, a decrease of 3.2% compared to 2022. The main reason for this was the reduction in raw material shortages. However, there was still an overall impact from exchange rate fluctuations, which reduced the cost of goods compared to the previous year.

Selling Expenses decreased from 493.2 million Baht in 2022 to 291.4 million Baht in 2023, a reduction of 201.8 million Baht or -40.9%. This decrease was due to the reduction in container shortages and lower international shipping costs.

Administrative Expenses decreased from 614.0 million Baht in 2022 to 575.1 million Baht in 2023, a reduction of 38.9 million Baht or -6.3%. This was due to a reduction in finished goods storage expenses by 16.7 million Baht and a decrease in product development costs by 24.1 million Baht.

Profit

In the fiscal year 2023, the company achieved a gross profit of 970.5 million Baht, which represents 13.7% of revenue from sales and services. This ratio increased by 10.1% compared to 2022. After considering the decrease in selling expenses, the reduction in administrative expenses, the increase in investment and other income, and the rise in income tax, the net profit for 2023 amounted to 737.6 million Baht. This represents 10.42% of revenue from sales and services, an increase of 8.52% from the 1.90% in 2022. Consequently, the

net profit per share increased from 8.06 Baht per share in 2022 to 37.25 Baht per share in 2023. The return on equity for 2023 increased from 2.01% in 2022 to 8.54% in 2023.

Assets

As of March 31, 2024, the company had total assets of 11,114.8 million Baht, an increase of 1,469.3 million Baht or 15.2% from March 31, 2023. The changes in various asset items are as follows:

- Cash and Cash Equivalents: As of March 31, 2024, cash and cash equivalents amounted to 222.3 million Baht, a decrease of 408.3 million Baht or -64.7% from the previous year.
- Other Current Financial Assets: As of March 31, 2024, other current financial assets amounted to 4,412.8 million Baht, an increase of 1,592.8 million Baht or 56.5% from the previous year, mainly due to an increase in short-term deposits with financial institutions.
- Trade and Other Receivables: As of March 31, 2024, trade and other receivables amounted to 953.9 million Baht, a decrease of 118.3 million Baht or -11.0% from the previous year. This was mainly due to a decrease in trade receivables, which fell from 1,041.5 million Baht on March 31, 2023, to 908.8 million Baht on March 31, 2024, a decrease of 132.7 million Baht.
- Inventories: As of March 31, 2024, inventories amounted to 722.4 million Baht, a decrease of 549.0 million Baht or -43.2% from the previous year. This reduction was primarily due to effective sales and inventory management, resulting in lower inventory levels.
- Other Non-Current Financial Assets: As of March 31, 2024, other non-current financial assets amounted to 3,214.6 million Baht, an increase of 1,018.7 million Baht or 46.4% from the previous year, mainly due to the fair value assessment of other investments, which increased in value compared to the previous year.

Liabilities

As of March 31, 2024, the company had total liabilities of 1,746.5 million Baht, an increase of 0.1 million Baht or 0.00% from the previous year. The changes in various liability items are as follows:

- Trade and Other Payables: As of March 31, 2024, trade and other payables amounted to 824.4 million Baht, a decrease of 248.9 million Baht or -23.2%. This was mainly due to a reduction in trade payables, which fell from 769.0 million Baht on March 31, 2023, to 541.8 million Baht on March 31, 2024, a decrease of 227.1 million Baht.
- Deferred Tax Liabilities: As of March 31, 2024, deferred tax liabilities amounted to 547.4 million Baht, an increase of 257.0 million Baht or 88.5% from the previous year, mainly due to increased gains from investments in equity instruments measured at fair value through other comprehensive income.
- Other Liabilities: As of March 31, 2024, other liabilities amounted to 99.6 million Baht, a decrease of 3.1 million Baht or -11.6% from the previous year, primarily due to a decrease in provisions for damages by 7.2 million Baht.

The company's cash conversion cycle in 2023 slowed down by 8 days, from 47 days in 2022 to 55 days in 2023, due to the challenges in production and inventory management. The liquidity ratio increased from 5.46 times in 2022 to 7.65 times in 2023, indicating that the company still maintains good financial stability.

Shareholders' Equity

As of March 31, 2024, the company had shareholders' equity of 9,368.2 million Baht, an increase of 1,469.1 million Baht or 18.6% from the previous year, due to the following factors:

- Shareholders' equity increased by 1,469.1 million Baht from the total comprehensive income for 2023, comprising a net profit of 737.6 million Baht and other comprehensive income of 812.7 million Baht.
- Shareholders' equity decreased due to dividend payments in August 2023 to shareholders amounting to 81.2 million Baht at a rate of 4.10 Baht per share, as approved by the shareholders' meeting on July 26, 2023.

Attachment 2: Summary Information of Melco Thai Capital Co., Ltd. or “MTC”**1. Preliminary Information**

Company Name	: Melco Thai Capital Co., Ltd.
Establishment Date	: February 22, 2002
Nature of Business	: Melco Thai Capital Co., Ltd. manages the financial resources of MELCO group companies in the Asia-Pacific region, covering a total of 29 companies. These include 11 companies in Thailand, 3 in India, 3 in Indonesia, 3 in the Philippines, 3 in Malaysia, 2 in Singapore, 2 in Vietnam, 1 in Myanmar, and 1 in Australia. MELCO group companies regularly provide and receive financial assistance among themselves based on the financial needs of each company through MTC, which manages the financial operations within the MELCO group in the Asia-Pacific region. MTC is licensed to operate as a treasury center under the supervision of the Ministry of Finance and the Bank of Thailand. MTC initiated Cash Pooling transactions with the company for the first time in 2002 and started lending transactions with the company in 2016.
Company Location	: 11/1 AIA Sathorn Tower, 18th Floor, South Sathorn Road, Yannawa, Sathorn District, Bangkok 10120, Thailand
Registered Capital	: 193,000,000 Baht, divided into 193,000 ordinary shares with a par value of 1,000.00 Baht per share (as of January 18, 2024)
Paid-up Capital	: 193,000,000 Baht, divided into 193,000 ordinary shares with a par value of 1,000.00 Baht per share (as of January 18, 2024)

2. List of Director

As of 18 January 2024, the Board of Directors of MTC consists of 3 members, with details as follows:

No	Name – Surname	Position
1	Mr. Koji Tsunoda	Director
2	Mr. Yoshinori Kobayashi	Director
3	Mr. Katsuya Mino	Director

Source: Company's affidavit dated 18 January 2024

3. List of Shareholders

As of 24 July 2023, List of the Company's major shareholders are as follows:

No	Name	Share	Percent
1	Mitsubishi Electric Corporation	192,998	99.99
2	Mr. Yoshinori Kobayashi	1	<0.01

No	Name	Share	Percent
3	Mr. Katsuya Mino	1	<0.01
	Total	193,000	100.00

Source: Copy of the list of shareholders of MTC as of 24 July 2023

4. Statement of Financial Position

Statement of Financial Position	Financial Statements for the Years Ended as of					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Assets						
Current Assets						
Cash and Cash Equivalents	2,583.87	9.36	3,523.28	15.51	3,000.71	8.40
Short-term Loans to Related Parties	24,980.61	90.52	19,187.07	84.45	32,703.10	91.50
Accrued Interest Receivable	28.77	0.10	8.53	0.04	37.64	0.11
Other Receivables	1.59	0.01	0.93	<0.01	0.12	<0.01
Total Current Assets	27,594.84	99.99	22,719.80	100.00	35,741.57	100.00
Non-Current Assets						
Equipment	0.19	<0.01	0.13	<0.01	0.18	<0.01
Other Non-Current Assets	1.20	<0.01	0.76	<0.01	0.35	<0.01
Total Non-Current Assets	1.39	0.01	0.89	<0.01	0.53	<0.01
Total Assets	27,596.23	100.00	22,720.69	100.00	35,742.10	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Short-term Loans from Related Parties	27,082.82	98.14	22,090.93	97.23	34,731.03	97.17
Accrued Interest Payable to Related Parties	57.64	0.21	68.35	0.30	172.68	0.48
Other Payables	42.33	0.15	48.16	0.21	120.39	0.34
Accrued Income Tax	-	-	0.45	<0.01	2.06	<0.01
Other Current Liabilities	0.80	0.00	0.85	<0.01	1.24	<0.01
Total Current Liabilities	27,183.59	98.50	22,208.73	97.75	35,027.41	98.00
Non-Current Liabilities						
Provision for Employee Retirement Benefits	2.09	0.01	2.67	0.01	3.25	0.01
Total Non-Current Liabilities	2.09	0.01	2.67	0.01	3.25	0.01
Total Liabilities	27,185.68	98.51	22,211.40	97.76	35,030.65	98.01
Shareholders' Equity						
Registered Capital	193.00	0.70	193.00	0.85	193.00	0.54
Issued and Paid-up Capital	193.00	0.70	193.00	0.85	193.00	0.54
Retained Earnings	217.55	0.79	316.29	1.39	518.45	1.45
Total Shareholders' Equity	410.55	1.49	509.29	2.24	711.45	1.99

Statement of Financial Position	Financial Statements for the Years Ended as of					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Total Liabilities and Shareholders' Equity	27,596.23	100.00	22,720.69	100.00	35,742.10	100.00

5. Income Statement

Income Statement	Financial Statements for the Years Ended as of					
	March 31, 2022		March 31, 2023		March 31, 2024	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Total Revenue	237.13	100.00	348.88	100.00	808.01	100.00
Expenses						
Finance Costs	183.08	77.21	223.35	64.02	576.22	71.31
Administrative Expenses	22.75	9.59	24.93	7.14	25.25	3.13
Total Expenses	205.82	86.80	248.27	71.16	601.48	74.44
Profit Before Income Tax	31.30	13.20	100.60	28.84	206.53	25.56
Income Tax	-	-	1.87	0.53	4.37	0.54
Profit for the Year	31.30	13.20	98.74	28.30	202.16	25.02

6. Analysis of Operating Results

In the fiscal year 2023, the majority of the revenue came from interest income. This was primarily due to higher lending in USD compared to JPY, as USD interest rates were higher than those of JPY. In contrast, the fiscal year 2022 saw most loans in JPY. Consequently, the average interest rate in 2023 was higher than in 2022. Additionally, 2023 saw a significant increase in deposits from affiliated companies, providing more funding for loans. As a result, total revenue increased from 348.88 million Baht in 2022 to 808.01 million Baht in 2023.

Regarding expenses, finance costs have been steadily increasing since 2021 due to the easing of the COVID-19 situation. As affiliate companies had more cash on hand from operations, they deposited these funds with MTC, significantly increasing deposits from affiliated companies. Consequently, finance costs rose accordingly. This led to an increase in profit for the fiscal year 2023, rising from 98.74 million Baht in 2022 to 202.16 million Baht in 2023.