

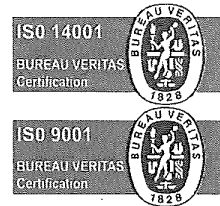


บริษัท กังยงอีเลคทริก จำกัด (มหาชน)  
KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

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 MITSUBISHI ELECTRIC Group  
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M.D. 240/2016

July 6, 2016

Subject: Invitation to the 2016 Annual General Meeting of Shareholders

To: Shareholders of Kang Yong Electric Public Company Limited

Enclosures:

1. Copy of the Minutes of the 2015 Annual General Meeting of Shareholders
2. Annual Report 2015 (CD-ROM)
3. Profile of Candidates Nominated for Director Election  
to Replace the Directors Retiring by Rotation
4. Definition of Independent Director and Criteria of Director Nomination
5. Information on the auditors and the auditor fees for fiscal year 2016
6. Registration Form (Please brought for registration on the meeting date)
7. Two Proxy Forms (Form A and Form B)
8. Profile of Independent Directors as the Shareholders' Proxy
9. Evidence Representing Right to Attend the 2016 Annual General Meeting of Shareholders
10. Articles of Association of Company involving Annual General Meeting of Shareholders
11. Criteria for Submitting Questions in Advance
12. Map of the venue for 2016 Annual General Meeting

The Board of Directors of Kang Yong Electric Plc. resolved to arrange the 2016 Annual General Meeting of Shareholders for fiscal year 2015 (April 2015-March 2016) on Wednesday, July 27, 2016, 14.00 hrs. at Bu-Nga Room, 3rd Floor, Golden Tulip Sovereign Hotel, No. 92 Soi Saengcham, Rama 9 Road, Huay Kwang, Bangkok.

For the agenda of the 2016 Annual General Meeting of Shareholders, the Company invited the shareholders to propose any agenda items in advance via the Company's website at [www.mitsubishi-kye.com](http://www.mitsubishi-kye.com) during January 20-March 18, 2016, but none of them proposed any other agenda item to the Company. Therefore, the Company would like to propose the agenda of the meeting as resolved by the Board of Directors as follows:

/Agenda No. 1.....

**Agenda No. 1 To adopt the minutes of the Annual General Meeting of Shareholders for the year 2015**

**Objective and rationale:** The Company prepared the minutes of the 2015 Annual General Meeting of Shareholders, held on Friday, July 24, 2015, and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the meeting date by the law, and also posted the minutes via the Company's website at [www.mitsubishi-kye.com](http://www.mitsubishi-kye.com) for the shareholders' information and examination as appropriate. No objection and correction was accordingly proposed by any shareholder.

**Board of Directors' opinion:** It is deemed appropriate to propose the Annual General Meeting of Shareholders to consider adopting the minutes of the 2015 Annual General Meeting of Shareholders, since the Board of Directors is of the opinion that the minutes of the meeting have been recorded correctly and completely taken. (Details are as presented in Enclosure No. 1)

**Resolution:** Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

**Agenda No. 2 To acknowledge the Board of Directors's report on the operational for year 2015**

**Objective and rationale:** Pursuant to Article 35(1) of the Company's Articles of Association, it is stipulated that the Company shall prepare and submit a report of the Board of Directors for the shareholders' acknowledgement of the Company's operating results for 2015.

**Board of Directors' opinion:** It is considered appropriate to propose to the Annual General Meeting of Shareholders for acknowledgement of the Company's operating results for 2015, which are presented in the Annual Report 2015 under the topic, "Management's Discussion and Analysis on Financial Position and Operating Results." (Details are as presented in Enclosure No. 2)

**Resolution:** Since this agenda item is proposed for acknowledgement, thus no votes.

**Agenda No. 3 To consider and approve the annual financial statement 2015 year ended 31 March 2016**

**Objective and rationale:** Pursuant to Article 38 of the Company's Articles of Association, it is stipulated that the Board of Directors shall arrange for preparation of balance sheets and statements of income for the accounting period ended March 31, 2016, duly audited by the auditor, for submission to the annual general meeting of shareholders for consideration and approval. (Details are as presented in Enclosure No. 2 under the topic, "Report of the Auditor and Financial Statement.")

/Board of Directors' opinion.....

**Board of Directors' opinion:** It is deemed appropriate to propose to the Annual General Meeting of Shareholders for consideration and approval the Company's financial statements for the accounting year ended March 31, 2016, duly audited by the auditor, reviewed and considered accurate by the Audit Committee as appropriate in material aspects according to the generally accepted accounting standards.

**Resolution:** Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

**Agenda No. 4 To consider and approve profit appropriation and annual dividend payment**

**Objective and rationale:** Pursuant to Article 40 of the Company's Articles of Association, it is stipulated that the Company shall pay dividend when it could earn a profit. Therefore, the Company has a policy to pay dividend to the shareholders at a rate of approximately 50% of net profit after corporate income tax as shown on the financial statements in which the equity method is applied, depending however on the Company's performance and the economic condition.

From its 2015 performance, the Company posted a net profit for the year of 841.8 million baht, representing earnings per share of 38.27 baht. Comparison of its performance and dividend payment rates in the past years are shown below:

	2011	2012	2013	2014	2015
Net profit (million baht)	695.8	859.9	506.0	926.9	841.9
Earnings per share (baht)	31.63	39.09	23.00	42.13	38.27
Dividend paid (million baht)	348	430.1	253.0	463.5	421.1
Dividend per share (baht)	15.82	19.55	11.50	21.07	19.14
Dividend payout ratio	50.02%	50.02%	50.00%	50.01%	50.02%

**Board of Directors' opinion:** It is deemed appropriate to propose to Annual General Meeting of Shareholder for consideration and approval the profit appropriation for dividend payment to the Company's shareholders for its 2015 performance at the rate of 19.14 baht per share, amounting to 421.1 million baht in total. The Record Date for determining names of shareholders with rights to receive the dividend payment is set to be Thursday, August 4, 2016, and the gathering of names pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 by way of a close of register book to suspend share transfer is set to be made on Friday, August 5, 2016. The dividend payment is scheduled for Thursday, August 25, 2016.

/Therefore, Personal.....

Therefore, Personal shareholders who receive dividends in 2016 will receive tax benefits as follows:

- 1) Dividend at a rate of 12.24 baht per share with entitlement to tax credit of 20%
- 2) Dividend at a rate of 6.90 baht per share with entitlement to tax credit of 30%

**Resolution:** Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

**Agenda No. 5 To consider election of directors in place of those retiring by rotation**

**Objective and rationale:** Pursuant to Article 15 of the Company's Articles of Association, it is stipulated that at every annual general meeting of shareholders, one-third of the total number of directors shall vacate office. At this annual general meeting, there are five directors retiring by rotation, namely

- |   |              |             |
|---|--------------|-------------|
| 1 | Mr.Tsutomu   | Shimizu     |
| 2 | Mr.Manu      | Leopairote  |
| 3 | Mr.Praphon   | Potivorakun |
| 4 | Mr.Yasumichi | Tazunoki    |
| 5 | Mr.Hirotaka  | Abo         |

The Company invited the shareholders to nominate qualified candidates for election as the Company's directors in accordance with the criteria announced on the Company's and Stock Exchange of Thailand's websites during January 20 -March 18, 2016, but none of them proposed any candidates for election as the Company's directors.

**Board of Directors' opinion:** The Board of Directors, excluding directors with beneficial interests, has made consideration based on opinion of the Nomination and Remuneration Committee that the five retiring directors have knowledge, competence and experience in the Company's business, and throughout their directorship tenure, they have performed duties within their scope of authority , responsibilities and under good corporate governance principles, which are beneficial to the Company's business operations. It is therefore deemed appropriate to propose to the 2016 Annual General Meeting of Shareholders for consideration the appointment of the following persons as the Company's directors for another term:

/1. Mr.Tsutomu.....

- |   |              |             |                                  |
|---|--------------|-------------|----------------------------------|
| 1 | Mr.Tsutomu   | Shimizu     | as director                      |
| 2 | Mr.Manu      | Leopairote  | as director/independent director |
| 3 | Mr.Praphon   | Potivorakun | as director                      |
| 4 | Mr.Yasumichi | Tazunoki    | as director                      |
| 5 | Mr.Hirotaka  | Abo         | as director                      |

(Profile of candidates nominated for director election and definition of independent directors are presented in Enclosure No. 3 and No.4 respectively)

**Resolution:** Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

**Agenda No. 6 To consider and approve the directors' remuneration for fiscal 2016**

**Objective and rationale:** Pursuant to Article 29 of the Company's Articles of Association, it is stipulated that the directors shall be entitled to receive remuneration from the Company as to be approved by the shareholders' meeting.

**Board of Directors' opinion:** It is deemed appropriate to propose to the Annual General Meeting of Shareholders for consideration and approval the remuneration for the Company's directors for fiscal 2016 in the form of monthly retainer fee and meeting allowance at the same rate as 2015, i.e. within a limit of 6,500,000 baht, for the Board of Directors and Board committees, as proposed by the Nomination and Remuneration Committee based on thorough consideration on all appropriate factors and comparison with peer companies in a similar type of industry and with about the same business scale, and the overall business environment, the detail as below:

Unit: Baht	The Board of Directors			Audit Committee		Nomination & Remuneration		Product Pricing Committee	
	Chairman	Vice Chairman	Director	Chairman	Member	Chairman	Member	Chairman	Member
Monthly Retainer fee	15,000	13,000	10,000	15,000	10,000	9,000	6,000	-	-
Meeting allowance / time	39,000	33,000	27,000	45,000	30,000	30,000	20,000	35,000	25,000

**Resolution:** Required to be approved by a vote not less than two-thirds of the total number of votes of the shareholders who attend the meeting and cast their votes.

/Agenda No.7.....

**Agenda No. 7 To consider appointment of auditor and fixing of audit fee for fiscal year 2016**

**Objective and rationale:** Pursuant to Article 35(5) of the Company's Articles of Association, it is stipulated that the annual general meeting of shareholders shall appoint an auditor and fix the audit fee on a yearly basis.

**Board of Directors' opinion:** The Board of Directors, through the scrutiny by the Audit Committee, deems it appropriate to propose to the Annual General Meeting of Shareholders the appointment of certified public accountants the auditor, KPMG Phoomchai Audit Ltd., with any of the following to perform duty as the Company's auditor for 2016:

1. Miss Orawan Sirirattanawong CPA Registration No. 3757, and/or
2. Miss Vipavan Pattavanvivek CPA Registration No. 4795, and/or
3. Miss Patamavan Vadhanakul CPA Registration No. 9832

The proposed auditors are independent in conducting audit work and expressing opinion on the financial statements. They do not have any relationship or conflict of interest with the Company, its associated companies, executives, major shareholders or their related persons. They also serve as auditors for Mitsubishi Electric Kang Yong Watana Co., Ltd., which is the Company's sole distributor in Thailand, in order to eradicate a conflict of interest. Moreover, the Board of Directors deems it appropriate to propose to the Annual General Meeting of Shareholders for consideration and approval the audit fee for 2016 in the total amount of 1,138,000 baht, which increases by 0.4% from 2015 and is commensurate with the additional audit workload resulting from adoption of the new accounting standard relevant to the Company's business. (Detail are as presented in Enclosure No. 5)

**Resolution:** Required to be approved by a majority vote of the shareholders who attend the meeting and cast their votes.

**Agenda No. 8 To consider other businesses (if any)**

/Schedule of the.....

**Schedule of the 2016 Annual General Meeting of Shareholders**

13.00 - 14.00 hrs. Registration for the meeting by the shareholders and/or proxies and examination of proxy assignment documents.

The Company would like to recommend that all shareholders and/or proxies study the conditions of meeting registration and proxy assignment as provided in Enclosure No. 9 For more convenience in the registration, the shareholders and/or proxies are recommended to bring and present the documents and evidence indicated in Enclosure No. 6 and No. 7 for registration on the meeting date.

Remark: In case of shareholders who are foreign investors and have appointed a custodian in Thailand to attend the meeting on your behalf, please use Proxy Form C, which is downloadable from our website at [www.mitsubishi-kye.com](http://www.mitsubishi-kye.com).

For shareholders who wish to assign any of our independent directors as your proxy (details are given in Enclosure No.8), please send the Proxy Form and other required documents to the Company's President Office Department no later than Friday, July 22, 2016 so that we could coordinate with the assigned independent directors.

14.00 hrs. Start of the 2016 Annual General Meeting of Shareholders.

In addition, the shareholders who would like to raise questions or give comments regarding significant issues on the agenda may send your questions and/or comments before the meeting to the Company by post and/or through E-mail: [information@kye.meap.com](mailto:information@kye.meap.com) and/or facsimile no. 02-337-2439 - 40 no later than Friday, July 22, 2016

You are cordially invited to attend the meeting at the time and the venue indicated above.

Yours sincerely,



(Praphad Phodhivorakhun)

Chairman of the Board of Directors

Corporate Strategic Planning Office

Tel. 02-337-2900 Ext. 512, 516