YUASA
BATTERY

รายงานประจำปี 2558 2015

บริษัท ยัวซ่าแบตเตอรี่ ประเทศไทย จำกัด (มหาชน)

YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED

Annual Report

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1. Message from Chairman of the Board of Directors

In the year 2015, the economic situation was fragile recovery due to the government's accelerated spending according to the measure of economic stimulus and the positive factor from the continuous decrease of oil price, sharp depreciation of Thai baht currency together with the lower interest rate policy (expansionary policy). Nevertheless, the consumption of private sector that was the main engine was not recovered because the spending was pressured from the depressed income of agricultural sector, the severe drought happened in years and the problem of household's debt tended to be higher. Although there were some negative factors from economy, the Company could drive the sales for both domestic and export markets to be better by setting the appropriate sales promotion plan, seeking the new market channel and sourcing for battery diversification in order to sell and compete with other battery producers through purchasing or importing the battery from the affiliates of GS Yuasa International Limited who is the parent company of both domestic and ASEAN countries.

For the cost of production; although in the year 2015, the lead price which was the main raw material for production decreased comparing with the preceding year which would help for better cost of production, the Company still improved and developed the productivity of battery production in order to minimize the number of machine's downtime and loss from the production process and to invest in machine, building and equipment within the factory continuously from the preceding year. As a result, the overall cost of production decreased comparing with the preceding year of 2014.

In brief, in the year 2015, the Company gained revenues from sales at amount of 1,754.04 million baht which was increased from the preceding year from replacement market and export market. And the Company also gained revenues from other income at amount of 4.65 million baht. The cost of goods sold was at amount of 1,423.59 million baht whereas the selling and administrative expenses, including financial cost were at amount of 292.49 million baht. With the above reasons, these led to the net profit for the year at amount of 43.94 million baht.

In the year 2016, the Company determined to produce the battery with high quality based on the customer's demand to be aligned with Company's slogan of "**High Quality Never Change**" and to expand the domestic and international customer base continuously and to apply the new technology to the production system to enhance the production potential and also to emphasize on society, community and environment simultaneously.

By the way, all of the Company's success from the preceding year was supported by the involved people of all sectors. On behalf of Board of Directors, the Company would like to express the gratitude to the shareholders, the business partners, financial institutions, the involved state and private sectors, valued customers, the Management along with employees of the Company who all jointly dedicated to work as the unity. In this regard, the Company would maintain the benefit of shareholders and everyone who involved with Company's success and intend to make the Company for sustainable growth together with social responsibility to maximize the benefit of all stakeholders.

On behalf of Directors

(Ichiro Murata)

Chairman of the Board of Directors (Acting)

March 9, 2016

2. Report of the Audit Committee

The Audit Committee of Yuasa Battery (Thailand) Public Company Limited was comprised of three independent directors, namely Assoc.Prof.Dr. Lawan Thanadsillapakul, Mr. Yothin Vimoogtayon and Mr. Prasert Kitisakkul. And Assoc.Prof.Dr. Lawan Thanadsillapakul was the Chairman of Audit Committee.

In 2015, there were 15 Audit Committee Meetings. The Audit Committee performed the duties under the scope of duties and responsibilities assigned by the Board of Directors. The issues which were reviewed could be summarized as below:

1. Reviewing the Company's monthly, quarterly and yearly financial statements that they were pursuant to the generally-accepted accounting standard and the information was completely and adequately disclosed; as well as quarterly inviting the external auditor to attend the Audit Committee Meetings for inquiry about the issues which were found from auditing the Company's financial statements;
2. Reviewing the internal control and the internal audit as well as giving advice on the audit and considering the Internal Audit Department's annual auditing plan for the efficient and effective operation, the appropriate internal control system for the Company as well as prevention against and reduction of the risk which might be occurred;
3. Considering the related transactions by reviewing the transactions which might cause the Company a conflict of interest, pursuant to the Company's good corporate governance policy;
4. Reviewing the Company's compliance to the law relating to securities and exchange, the regulations of the Stock Exchange of Thailand and the law relating to the Company's business;
5. Considering and giving advice on the appointment of the external auditor.
6. Audit Committee would attend the seminar and training which were arranged by the Stock Exchange of Thailand, Thai Institute of Directors or other institutes which involved with the duties of Audit Committee and would report the result of the meeting, seminar and training to Audit Committee's Meeting for acknowledgement to develop the potential together with follow up the change of laws, rules and regulations as well as practice for continuous modernization.

Having considered the above-mentioned issues, the Audit Committee was of the opinion that the Company's financial statements were accurately made. The Company disclosed enough information pursuant to the accounting standard, the related laws and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Furthermore, Audit Committee paid attention on the change of accounting standard and be aware of impact on Company, especially for changing the new type of external auditor's report. As a result, Audit Committee had prepared to coordinate with the Company's external auditor to present for key audit matters.

Nevertheless, in this year, Audit Committee followed up for the results of the Management's problem solving which were recommended by the Audit Committee in the preceding year and still paid attention on increasing the effectiveness of Company's database management together with overall risk management of Company. For this year, the Audit Committee's recommendations about the internal control system of 2015 were as follows:-

1. The Management should review the related working's regulations to be appropriate for present circumstance. If there was any traditional practice without having any written regulation, it should be reviewed and made in writing, especially for employees' regulation for same understanding of all parties.
2. In 2015, the management developed several database systems of Company as recommended by Audit Committee. However, as the current investment budget control system which was still reviewed by manual system, the Company needed to improve the information technology system for more complete database in order to increase the effectiveness of internal control system.
3. The management should support for making internal organization chart and command line together with job description which could balance the power between departments in order to strengthen the internal control system.

4. Nowadays, the liberalization of AEC in ASEAN countries caused the Company to encounter with the situation that neighboring countries' manufacturers had lower cost of production to compete with domestic battery manufacturers. For this reason, the management should concentrate on cost reduction for both production and supporting departments so that Yuasa battery could compete with domestic and export markets.

On behalf of Audit Committee

(Assoc.Prof.Dr. Lawan Thanadsillapakul)
Chairman of Audit Committee
9 March 2016

3. Policy and Overall Business Operation

Policy and overall of business operation

For understanding and a guideline to follow the business direction of Yuasa Battery (Thailand) PLC. and Yuasa Sales and Distribution Co., Ltd. (the Subsidiary), the Company would like to explain the overall image, the background information as well as the business characteristics of the Company and the Subsidiary as follows:-

Vision & Mission

Vision

"We shall be in the front line in Production of World Class Quality Battery at competitive cost and continuing increasing sales and market share both in domestic and international market"

Mission

"To be a world Class Quality Producer at competitive cost innovation in production technology and new ideas will be employed to develop its management, productions and ect, thus, strengthening on each company' step, maintaining the reputation, fairness, best quality and service, and as well as the management and staffs team works. With these, will drive us to target of 20% market share within 5 years"

Guideline of Business Operation

- The Company must conduct its business consistently with the relevant laws. The Company shall maintain fair business operation.
- The Company strongly believes that conducting business with honesty, morality and ethics is good business governance which will provide a stable, progressing business of the Company.
- The Company will respect and act in compliance with local norms and traditions.
- The Company will conduct business with honesty, particularly in matters regarding financial policy, budget planning and budget evaluation in any project which shall be prepared clearly and precisely.

The Company hopes that all directors and employees will honestly respect in the Company's policy, accounting process and other regulations. Moreover, employees should report to executives immediately if there is any suspicion of a violation of the code of conduct which may cause damage to the Company's reputation.

Target of Business Operation

The Company has targeted to become a leading manufacturer of quality automotive batteries which have competitive cost, provide a one-stop service for energy solutions and grow together with the customers. The Company focuses on adding more values to the organization, the shareholders and the stakeholders, as well as pays attention to corporate governance, risk management, good internal control system and social responsibility. As a result, the Company plans to manage the organization for sustainable growth by emphasizing on financial balance, customers, working processes and results of organizational administration. Feasibility, reasonability, balance, fair risk, benchmarking and analysis of stakeholders are considered. The organization's operating results are continuously measured, analyzed and improved.

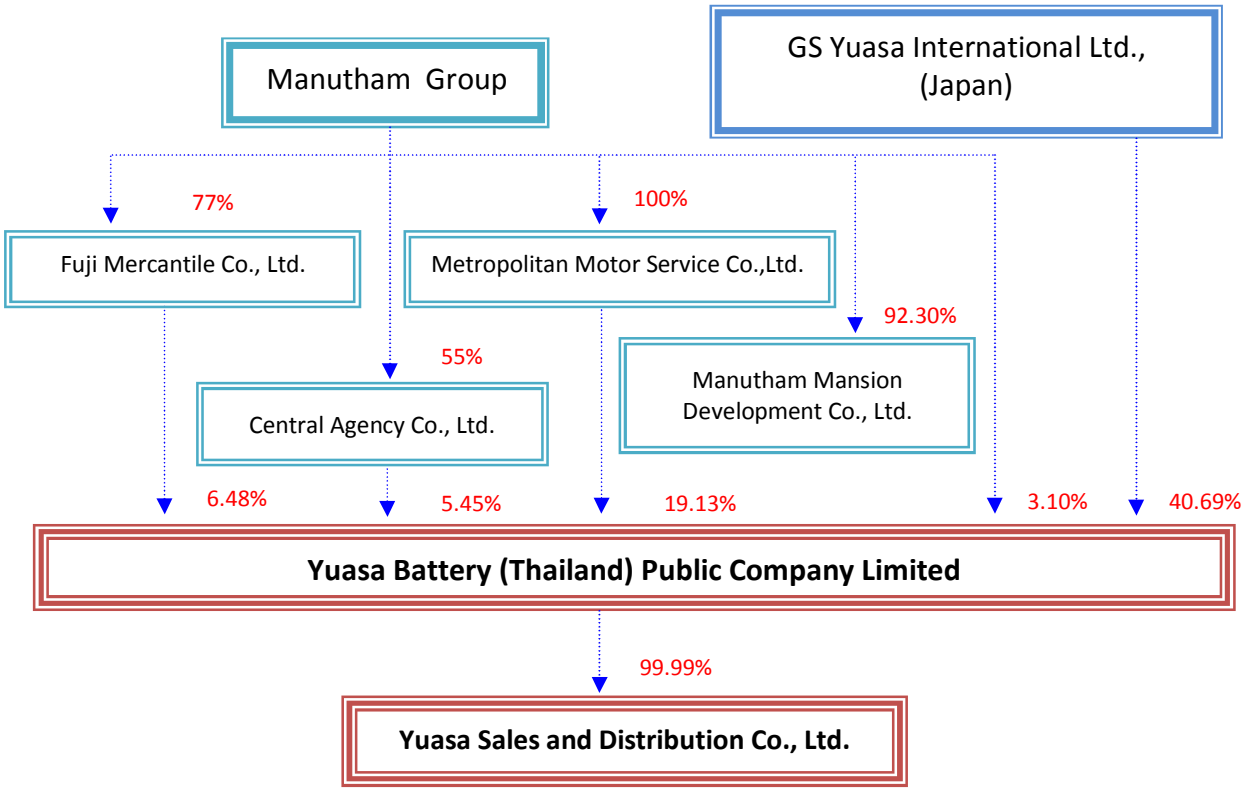
4. Nature of Business Operation

Nature of the Company and its Subsidiary's Business Operation

The Company conducts a business as a manufacturer of car and motorcycle batteries under the name of "YUASA" for domestic and export sales. It also imports of industrial batteries which are used in various industries for domestic sales. Further, the Company manufactures and sells the batteries under its private brands, such as "THUNDERLITE" and "YUCON." The Company shall pay royalty fees to GS Yuasa International Ltd. (GYIN). The fees are calculated by units of production for conventional batteries and by percentage from sales for maintenance-free batteries.

The Company distributes its products to replacement market through Yuasa Sales and Distribution Co., Ltd. which the Company holds 99.99% of its share. The Company shall ask for GYIN's consent before selling "Yuasa" products in the markets apart from Thailand, Laos, Cambodia and Myanmar. Generally, GYIN assists the Company in finding markets by directly purchasing the products from the Company or charging sales commission. The Company can independently sell "YUASA" products within the designated territory and freely sell the products under other trademarks.

Structure of Related Companies (as of March 7, 2016)



Source: Thailand Securities Depository Co., Ltd.

GS Yuasa International Ltd, (GYIN), holds 40.69% of the Company's share. GYIN is a subsidiary of GS Yuasa Corporation, Japan (GYC) which is a merger between Japan Storage Battery Co., Ltd. and Yuasa Corporation, the old shareholder of Yuasa Battery (Thailand) PLC.

Income Structure the Company and the Subsidiary

Unit : (Million Baht)

Detail	2011		2012		2013		2014		2015	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Yuasa Battery (Thailand) Public Co., Ltd. (Company)										
1. Automotive Battery										
➢ Original Equipment Market (OEM)	204.56	10.79	298.70	15.43	291.21	16.53	244.39	14.55	147.53	8.37
➢ Export	218.00	11.50	246.69	12.74	251.75	14.29	289.39	17.23	279.37	15.85
➢ Indirect Export*	32.19	1.70	25.59	1.32	32.00	1.82	16.13	0.96	29.24	1.66
➢ Other	0.11	0.01	0.03	0.00	0.44	0.03	0.73	0.04	0.04	0.00
2. Motorcycle Battery										
➢ Original Equipment Market (OEM)	396.05	20.90	477.42	23.11	318.65	18.08	299.36	17.82	344.53	19.55
➢ Export	110.92	5.85	95.43	4.93	117.46	6.67	80.56	4.80	103.04	5.85
➢ Indirect Export*	5.95	0.31	3.25	0.17	2.97	0.17	5.20	0.31	1.04	0.06
➢ Other	0.04	0.00	0.05	0.00	0.01	0.00	0.01	0.00	0.01	0.00
3. Power Supply										
Domestic Market	76.28	4.02	66.58	3.44	41.38	2.35	54.56	3.25	70.05	3.97
International Market	-	-	-	-	-	-	-	-	-	-
4. Other	0.45	0.02	4.56	0.24	0.47	0.03	0.53	0.03	0.64	0.04
Total Revenue of Company (a)	**1,044.53**	**55.11**	**1,188.28**	**61.38**	**1,056.35**	**59.95**	**990.85**	**58.99**	**975.51**	**55.35**
Yuasa Sales and Distribution Co., Ltd. (Company holds 99.99%)										
1. Automotive Battery										
➢ Replacement Equipment Market (REM)	615.65	32.48	468.37	24.19	380.49	21.59	419.66	24.98	500.53	28.40
2. Motorcycle Battery										
➢ Replacement Equipment Market (REM)	189.33	9.99	208.87	10.79	276.79	15.71	246.70	14.48	263.11	14.93
3. Power Supply Battery / Solar Battery	20.36	1.07	24.13	0.01	21.46	1.22	9.51	0.56	14.10	0.80
4. Other	0.21	0.01	1.64	0.08	0.03	0.00	1.56	0.09	0.80	0.05
Total Revenue of Company (b)	**825.56**	**43.56**	**702.88**	**36.31**	**678.74**	**38.52**	**677.42**	**40.33**	**778.54**	**44.17**
Total revenues from sale (a)+(b)	**1,870.09**	**98.67**	**1,891.17**	**97.68**	**1,735.10**	**98.47**	**1,668.27**	**99.31**	**1,754.04**	**99.52**
Total other income	**25.13**	**1.33**	**44.86**	**2.32**	**26.95**	**1.53**	**11.53**	**0.69**	**8.55**	**0.48**
Total Revenue	**1,895.22**	**100.00**	**1,936.04**	**100.00**	**1,762.05**	**100.00**	**1,679.80**	**100.00**	**1,862.59**	**100.00**

Source: Finance and Accounting Department, Yuasa Battery (Thailand) PLC.
* Domestically selling the products to export agents

Significant Changes in the Past Year

In 2015, the Company has developed several significant issues for production line and sales. For the factory, the Company has developed the building area and working environment within the factory as same as the past year. During the process of improvement, the Company still needed to produce continuously which caused some project delayed from the plan. For the production side, the Company cancelled the production line of conventional motorcycle battery. Nowadays, the demand of the stated battery was decreased and not worth for production. So, the Company imported from the affiliates to sell to the customers instead. For the sales side, the Company has developed the new battery to launch into the market as same as the previous year. For automotive battery, the Company jointly produced the new battery model for pickup car of battery model, LN3 with another battery producer in which there was an adjustment of battery model in the second quarter of the previous year. Moreover, the Company still developed for the new battery model such as MFDIN65 for replacement market for the car which produced by European country such as Chevrolet, Optra and Aveo and 40B19 which was the double lid for small-sized car. For the development of motorcycle battery, the Company was the leader of the market, had developed the battery model, YTZ3V with high battery performance as well as cost reduction.

Industry and Competition

Batteries are necessary for daily life. They can be used for multi-purposes, such as energy generating, lighting in household, lighting for animals at night. Also, they are essential parts for vehicles and telecommunication system. As a result, the production of batteries requires different technology from low to high, depending on usage.

According to the Thai Automotive Industry Association and the Bank of Thailand, having compared the automotive situation between 2014 and 2015, the car production increased at 1.27 percent while the motorcycle production dropped at 1.95 percent. For the car production comparing with the previous year, although the production for export increased, the production for domestic sales was the main part which led to lower proportion of automotive battery due to the decrease of people's purchasing power from the government first-car scheme and economic condition which was not recovered along with the lower domestic agricultural product. For the motorcycle production, situation would be in line with car production, namely the production for export would be higher from sourcing the new market. Nevertheless, there would be lower production for domestic sales because the economic condition was not quite good. With the above reasons, the sales ratio of car and motorcycle in the domestic country decreased from 2014 by 9.41 percent and 3.70 percent respectively. For the amount of vehicle export in 2015 compared with 2014, the overall amount of vehicle export increased, except for pickup car and truck. The main reason came from getting higher new market for small-sized car export or Eco car; however, there was the lower amount of selling pickup car due to the change of model during the middle of the year of some producers.

For the battery industry, in term of major manufacturers, according to the Office of Industrial Economics in 2015, it was found that the domestic production and sales reduced by 3.58 percent and 0.87 percent respectively. The amount was excluded the imported batteries for sales. Nowadays, the batteries were imported from many countries for domestic sales such as batteries from China, India and Korea and so forth. The battery price from these countries was cheaper compared with the domestic country. Nonetheless, there might be some weakness of service from these countries compared with the domestic producers.

For the prices of pure lead from London Metal Exchange (LME), was the main raw material of battery production. In 2015, the average price of lead was at USD 1,785/ton, declined by USD 308/ton or 17 percent from USD 2,094/ton of 2014. The lead prices during 2015 fluctuated between USD 1,680-1,945/ton. The average price in the first half of 2015 was at USD 1,805/ton, declined from 2014. The average price in the second quarter was adjusted to be higher and it was the highest price in that period at USD 1,945/ton. After the second half of the year, the price was adjusted to be lower continuously even some months were adjusted to be higher. However, the average price in the third and fourth quarters were at USD 1,711/ton and USD 1,680/ton respectively. This situation led to lower production cost of Company compared with the previous year.

For the competition in battery business, batteries are an important part for generating energy for cars and motorcycles. Not only having been equipped with the vehicles, but they also are spare parts. Thus, the quantity of using batteries is directly relative with the quantity of cars and motorcycles.

Most of the battery manufacturers in Thailand are joint-ventures between Japaneses and Thais, and are transmitted technology from the joint-ventures. Close relationship with Japanese carmakers is an advantage of this kind of business operation. Most of the batteries produced in Thailand for cars and motorcycles are basic batteries. In the future, the manufacturers will pay more attention to industrial batteries, energy reserved for factories, buildings, offices and computers. At this moment, this type of battery must be imported for sale while the demand has increased from the expansion of several industries which need power supply batteries.

There was fierce competition in the domestic and export markets in 2014. Besides, the prices of raw materials fluctuated. Therefore, each manufacturer decided not to adjust the product prices in order to maintain their domestic market share.

Although the cost of raw material increased, each manufacturer still tried to expand markets for more share, leading to high competition in terms of sales and marketing promotional campaigns, like special discounts and any other activities to build relationship with the customers.

The Company tried to enhance the efficiency of production, personnel and operating structure. New technology was applied to reduce the operating cost and to reinforce the durability of our batteries. New products were developed for low cost but same efficiency.

5. Risk Factors

It is general for business operation that internal and external factors might affect on the company's financial status and operating results. Therefore, the Company set a process of managing internal and external risks. The management defines the policies and assesses the risks with the executives from several departments. The factors possible to obstruct the Company from achieving the objective, the effects and the probability of these factors are considered for setting an acceptable risk management measures. The management follows up to the operating results of each department every month. These include things on production, sales, competitive condition, marketing strategy, financial management and progress of the business plan. All of these help the Company to promptly make plans to manage any risks which might happen. However, our organizational size is growing and several risks occurred in various forms. As a result, the management proposed the Board to consider the establishment of a risk management committee to review reports of risk assessment as well as to give advice on setting an acceptable risk management measure. The issue is now under the process of the Board's consideration.

In addition, at present, the Company faces some risks which might affect on the operating profit, financial status or operating results in the future. Apart from the risks mentioned in this report, there might be any other risks which was not been recognized or were considered insignificant at the moment. However, those risks will possibly become significant in the future. The details of the risks are summarized as below:

1. Risk from Fluctuating Prices of Raw Materials

Risk: The prices of raw materials, especially the main elements for producing batteries like lead and plastic, are significant factors for control of production cost. The cost of lead and plastic are approximately 70-80 per cent of the total production cost. In case that the prices of raw materials fluctuate in line with the market, the operating result and financial status will be directly impacted. For 2015, the Company purchased lead, a main raw material, totaling THB 751.73 million. THB 273.82 million or 36.42 percent of total lead order came from foreign country. For the prices of pure lead from London Metal Exchange (LME), was the main raw material of battery production, in 2015, the average price of lead was at USD 1,785/ton, declined by USD 308/ton or 17 percent from USD 2,094/ton of 2014. The lead prices during 2015 fluctuated between USD 1,680-1,945/ton. The average price in the first quarter of 2015 was at USD 1,805/ton, declined from 2014. The average price in the second quarter was adjusted to be higher and it was the highest price in that period at USD 1,945/ton. After the second half of the year, the price was adjusted to be lower continuously even some months were adjusted to be higher. However, the average price in the third and fourth quarters were at USD 1,711/ton and USD 1,680/ton respectively.

Measure to manage the risk: The Company set a measure to control usage and storage of lead in line with the working plan and production demand. Short-term agreements were entered into with several suppliers. Also, the management follows up to the operation of sales departments every month. In case that the fluctuation affects on the Company's cost, the management will promptly manage the risk.

2. Risk from Relying on the Joint Venture

Risk: Risk from relying on the joint venture's capability. It is divided into two aspects- technology and marketing.

In term of technology, the Company's technology was transferred from GS Yuasa International Ltd. (the joint venture) under the yearly agreement of technical support for battery production and development. In case of no amendment, the agreement will be automatically extended year by year. However, in the event of no renewal of technology transfer, the quality of goods from production might be affected, possibly impacting the operating result.

In term of overseas markets, the Company has an authority to sell the products within the territory assigned by GS Yuasa International Ltd., including Cambodia, Lao and Myanmar. Apart from these areas, we have to ask for permission from GS Yuasa International Ltd. to avoid conflict of distribution with "YUASA" affiliates in other countries. In 2015, we continuously exported the products through GS Yuasa International Ltd. and the affiliates at total amount of 49.58 million baht or 11.72% of the total export amount or 2.80% of the Company's total revenue from selling.

Measure to manage the risk: The Company always recompenses in the form of royalty fee, pursuant to the agreement of providing technique of battery production and development. (The royalty fee is calculated by unit produced for all types of conventional batteries and all trademarks and by sales percentage for all types of maintenance-free batteries.) Also, the agreement between the Company and GS Yuasa International Ltd. has been renewed constantly for over 53 years. For limitation of overseas markets, the Company can export to the countries not territorial to any "YUASA" affiliates. At present, some of our overseas customers are in the countries outside our affiliates' territory. Taking advantage of network of GS Yuasa, the Company shall diversify the battery sources to be sold in the market.

3. Risk from a Few Customers

Risk: In 2015, the Company relied on selling to a few customers for OEM market. One of our domestic customers possessed 93.37 percent of the total OEM sales of automotive batteries. Also, the sales of motorcycle batteries generated from supplying to one group of OEM customers, both domestic and overseas, were 78.22% of the total OEM sales of motorcycle batteries. Thus, in case that the customers cancel their orders, our operating result will be impacted.

Measure to manage the risk: We have a policy to produce batteries for some customers to indirectly promote the Company. Meanwhile, the customers, automobile and motorcycle manufacturers, require high quality, reliable, fair-priced and widely accepted batteries. Due to the long-term relationship between our parent company and the parent company of the customers and good relationship between our Company and the customers, there is low risk that the customers cancelled their orders. However, to spread risk from relying on only one customer or a few, we try to find new customers for our automobile and motorcycle battery markets through developing new types of batteries in cooperation with GS Yuasa International Limited (GYIN).

4. Risk from Tough Competition

Risk: Due to simplicity of automotive battery business, it is likely that new entrepreneurs will continuously enter the market to compete for share. A new entrepreneur might join the market by establishing a factory or importing batteries for domestic sale. Moreover, the limited domestic market caused higher competitiveness. The selling expenses increased, especially from price reduction and the campaigns executed for motivating the customers to purchase their own products. All of these led to a decrease in margin and affected on the operating result.

Measure to manage the risk: At present, the Company's products are accepted by both OEM and REM customers as quality batteries. We also set some measures to cope with higher competition as follows:- (1) Always update production technologies; (2) Control waste of production and machines for lower manufacturing cost and competitive prices; (3) Plan development of new products to address the customer demand; (4) Maintain relationship with suppliers of raw materials and existing customers as well as make commercial agreements with some hirers for production; (5) Find new sales channels in forms of Modern Trade; and (6) Expand flexibility of production to always support and address the customer demands.

5. Risk from Foreign Currency Incomes, Expenses and Loans

Risk: The Company's business relates to usage of foreign currency in several forms, such as exporting products and importing raw materials. All of these put the Company in risk of exchange rate. As of December 31st, 2015, we had assets and debts in foreign currency, converted into THB, amount to THB 43.89 million and THB 123.03 million respectively.

Measure to manage the risk: In term of export, the department taking charge of overseas sales made a sales plan in THB and reserved around 5-10% for change in foreign exchange rate in case of fluctuating currency. Also, the management had plans to adjust the standard value of currency for estimating selling prices. In addition, the Company implemented the policy to prevent against risk from fluctuating exchange rate.

6. Risk from Lack of Financial Liquidity

Risk: From the end of 2013 to 2015, the Company had been facing with slight financial liquidity, because of continuous investment in improvement of equipment, machines, office buildings and factory buildings to support higher production capacity as well as the factory's internal environment and environmental treatment system. Therefore, in case of lack of liquidity, the Company's payment might be affected.

Measure to manage the risk: The Company thoroughly managed the risk of liquidity. We made credit facilities with financial institutes, and would require loan supports from the parent company to support the liquidity if necessary. Moreover, the Company controlled the operations for full efficiency, especially by utilizing materials, reducing waste in production and decreasing unnecessary expenses, and for the Company's highest benefits.

7. Risk from Management of Environment and Safety at Work

Risk: The Company's production of automotive batteries directly relates to the management of environment and safety at work. The process of producing the batteries at the factory is risky for accidents at work and generation of waste or pollution, such as noise from the production machines, water polluted by lead powder, powder from manufacturing process of producing lead powder, cutting and brushing, smell of gas generated from the incomplete burning of smelting lead and noise from operation of the machines. In case of no management, prevention or inappropriate provision of waste treatment, the employees, the neighborhood and the environment inside and nearby the factory might be impacted.

Measure to manage the risk: In terms of environment, the Company provided procedures of waste treatment incurring from the production process as well as continuous treatment. For example, the waste

treatment eradicates lead powder in the water before releasing it outside the factory. The dust collector is implemented in the area risky for spread of lead powder. Efficient burning system is provided to lower smell of gas incurred from the production. Equipment for noise protection is also prepared for the machines having noise louder than the legal standard.

Furthermore, in terms of safety at work, the Company ran various procedures to take care of the employees' safety at work, including improvement and maintenance of equipment, provision of safety training and continuous CCCF activities. All of these were conducted to urgently improve dangerous sites to reduce accidents in the factory and for the employees' safety.

8. Risk from Sales Credits

Risk: The overall economic problems of the previous year was not recovered, even if the government tried to introduce many projects to inject the money into the system. Moreover, the prices of agricultural goods, especially rice and rubber, were low. Also, the domestic sales competition was high, especially continuous launches of domestic sales promotions. With these reasons, it was necessary for the Company to increase the sales credit of the existing customers and to find new markets, providing risk from sales credits.

Measure to manage the risk: The Company controlled the risk by stipulating a policy and a measure to appropriately control the credits. For new customers, the Company considered to sell the products by case in the initial transactions. Credits were considered for them later. With these reasons, the risk was low.

9. Risk from Relatively Small Size of Business with Competitors

Risk: The Company had smaller size of business when we compared with the competitors. The higher production provides economies of scale, leading to a lot lower manufacturing cost per unit.

Measure to manage the risk: Economies of scale sometimes works in the battery production business but does not always work. Due to production skill and technology for some types of battery, the Company has an advantage in motorcycle battery business. We gain competitive position due to its economies of scale. The Company shall maintain the production standard and volume to get the advantage of economies of scale continuously. Further, to reduce the disadvantage from economies of scale for car battery business, we would tighten relation with the customers.

10. Risk from Counterfeit Batteries

Risk: The products which are sold well in the market are generally risky to be imitated and counterfeited. The case also happened with The Company's products, especially for motorcycle batteries which we held the top sales in domestic original equipment market and replacement market. The fake batteries caused the sales decreased in some months. In 2015, The Company and joint venture hired the office of lawyer to prosecute the distributor of counterfeit batteries in the domestic country. It was now under the legal process of Department of Special Investigation.

Measure to manage the risk: The Company executed several actions. Our dealers were informed of how to identify the genuine batteries and the counterfeit batteries. Besides, the Company hired a legal consulting company to investigate the piracy, report the police and prosecute the piracy offenders to the last in order to reduce the risk.

11. Risk from Mature Market of Motorcycle Batteries

Risk: During the past 2-3 years, the domestic sales of motorcycles started saturating and decreasing from the stagnant economy and lower purchasing power, in line with the sales of motorcycle batteries. These were the reasons why the Company was unable to increase the domestic sales much.

Measure to manage the risk: The Company controlled the risk by increasing the domestic sales channels with quality of the products and attractive sales promotional campaigns as huge replacement demand in the population of motorcycles was still big as the result of accumulating volume of yearly sales. Furthermore, the Company expanded new markets and found new customers overseas to compensate the sluggish domestic sales.

12. Risk from Natural Disaster

Risk: The location of the Company was low and near the sea, risky of the floods in the factory in case of sea surge and heavy rain. These possibly affected on the Company's assets, including the information technology system. Moreover, the humidity of the water impacted on the manufacturing process, especially the plates, one of the main raw materials of battery production.

Measure to manage the risk: In the past year, the Company improved the factory's internal drainage. We also had plans to elevate the ground. The machines and electric equipment were moved to the second floor to avoid the flooding. Furthermore, the Company prepared sandbags and water pumps during the rainy season for faster drainage inside the factory. For the IT system, we are preparing the database backup to avoid data damage. In case of damage, the data can be recovered.

13. Risk from Security of Information Technology

Risk: Information technology is a key tool for the organization's business operation. At that time, the Company was risky in terms of security of information technology, such as risks from damage of the information technology derived from usual usage or any disasters, risks from computer virus and risks from hackers. All of these could slow down the business operation.

Measure to manage the risk: The Company set a security information technology system. The main computer and the programs were taken care and maintained from time to time. The firewall was created as fundamental prevention measure, allowing only authorized persons to access to the Company's information technology. In addition, the virus-preventing programs were installed in all of the Company's computers. All the employees were required to put their passwords for logging in to prevent against hackers. For prevention against the damage of the information technology derived from the natural disasters or any other disasters, the Company is preparing the Data Center Backup Site for recovery of the data for continuous operation of the business.

6. General Information of Company

• The Detail of Company

Company	:	Yuasa Battery (Thailand) Public Company Limited
Register no.	:	0107537002672 (Bor Mor Jor. 514)
Type of business	:	Battery manufacturer, distributor and importer
Address of Head Office and Factory	:	164 Moo 5 Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muangsamutprakan, Samutprakan 10280 Tel: 0-2769-7300 Fax: 0-2769-7349 Homepage : www.yuasathai.com

• Number and Type of Share

Authorized Ordinary Share, Issued and Paid-up Capital	107,625,000 shares
Par Value	1 Baht
Total Capital	107,625,000 Baht

• The Detail of Subsidiary Company

- Subsidiary Company (Yuasa Sales and Distribution Co., Ltd.)

Yuasa Battery (Thailand) Public Company Limited is holding 99,999 shares or 99.99% of the subsidiary's paid registered capital. The subsidiary company is responsible for marketing activities and sole distributors in replacement market of car and motorcycle batteries.

- Information of Subsidiary Company

Yuasa Sales and Distribution Co.,Ltd. is located at 164 Moo 5 Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muangsamutprakan, Samutprakan 10280 Tel : 0-2769-7300 Fax : 0-2769-7349 and registered as company limited on July 3, 1997 No. Bor Jor (5)1049/2540

Type of Business	:	Distribution of car and motorcycle batteries
Dividend Payment	:	Upon shareholder's meeting's resolution
Account Year	:	1 January - 31 December
Auditor	:	Mr. Sakda Kaothanthong Certified Public Accountant (Thailand) Registration No.4628
Ordinary Share	:	100,000 Shares, Par Value 10 Baht
Issued and Paid	:	100,000 Shares, Par Value 10 Baht

- Other References

Registrar	:	Thailand Securities Depositing (Thailand) Co.,Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel: 0-2229-2800 Call Center: 0-2229-2888
Auditor	:	Mr. Sakda Kaothanthong Certified Public Accountant (Thailand) Registration No.4628 KPMG Phumchai Audit Company Limited 50th-51st Floors, Empire Tower 1 South Sathorn Road, Bangkok 10120 Tel: 02-677-2000 Fax: 02-677-2222
Financial Advisor	:	Thanachat Securities Co.,Ltd. 231 Thanachat Park Place Tower, 5th Floor, Lumpini, Pathumwan, Bangkok 10330 Tel: 0-2126-8300

7. Shareholders Structure and Dividend Payment Policy

Shareholders Structure

The first 10 major shareholders with number of shares held and share ratios as at the last closing book dated on March 7, 2016

	Shareholder List	Number of Shares	% of Share
1.	GS Yuasa International ltd.	43,789,450	40.69
2.	Metropolitan Motor Service co.,ltd.	20,584,370	19.13
3.	Siam Motor Part co.,Ltd.	12,337,500	11.46
4.	Fuij mercantile co.,ltd.	6,971,600	6.48
5.	Central Agency co.,ltd.	5,865,100	5.45
6.	Manutham Group	3,337,100	3.10
	1) Pol.Lt.Chan Manutham	2,682,400	2.49
	2) Mr.Pornchak Manutham	325,000	0.30
	3) Ms.Chanchai Manutham	263,900	0.25
	4) Ms.Chamaiporn Manutham	32,900	0.03
	5) Mr. Ratchanono Manutham	32,900	0.03
7.	Mr.Yutaka Ueda	2,363,700	2.20
8.	Mr.Sopon Mithpanpanich	1,043,600	0.97
9.	Ms. Varunenada Punvatcharaworanon	517,500	0.48
10.	Ms. Anchana Pinijkusoljit	430,000	0.40
	Total the first 10 major shareholders	97,239,920	90.35
	Minor shareholders	10,385,080	9.65
	Total	107,625,000	100.00

Source : Thailand Security Depository Co.,Ltd.

Remark: Manutham Family is the major shareholder of Metropolitan Motor Service Co., Ltd., Fuji Mercantile Co., Ltd. and Central Agency Co., Ltd.

Dividend payment policy

The Company has a policy to pay the dividend not lower than 40% of the net profits after deducting tax, legal reserve and other reserves of the financial statements.

The Subsidiary has a policy to pay the dividend around 60-70% of the net profits after deducting tax, legal reserve and other reserves.

8. Management Structure

1. The Board of Directors

The structure of the Company directors consists of four commissions, namely the Board of Directors, the Audit Committee, the Remuneration Committee and Corporate Governance Committee. However, the Board currently considers the appointment of the Risk Management Committee. The details of each commission are described as follows:-

1.1 The Board of Directors (Please see the resume of the Board of Directors)

As of December 31st, 2015, the Board of Directors comprised of 10 persons as follows:-

Name	Position	Appointment
1.Mr.Katsumi Nakato ①	Chairman of the Board of Directors (Acting), Vice Chairman of the Board of Directors and Chief Executive Officer	December 14, 2005
2.Mr.Pornchak Manutham	Director	December 8, 2003
3.Pol.Maj.Gen.Supchan Manutham	Director	May 8, 2012
4.Mr.Goro Iwami	Director	August 4, 2011
5.Mr.Tsuyoshi Kameda②	Director	August 4, 2011
6.Mr.Ichiro Murata ③	Director	February 21, 2006
7.Mr.Subhavas Bandhuvadh	Director	April 19, 2004
8.Assoc.Prof.Dr.Lawan Thanadsillapakul	Independent Director and Chairman of Audit Committee	April 21, 2010
9.Mr.Yothin Vimoogtayon	Independent Director and Audit Committee	April 22, 2008
10.Mr.Prasert Kitisakkul	Independent Director and Audit Committee	April 21, 2010

Remark: ① Mr.Katsumi Nakato resigned as Chief Executive Officer and Vice Chairman of the Board of Directors since 1 January 2016 and resigned as Chairman of the Board of Directors (Acting) on 18 February 2016. Board of Directors had resolved the appointment of Mr. Ichiro Murata to hold the position of Chief Executive Officer instead since 1 January 2016 and Chairman of the Board of Directors (Acting) and Vice Chairman of the Board of Directors since 18 February 2016.

② Mr.Tsuyoshi Kameda was appointed as Director, replacing Mr. Kazuhiko Noda who resigned on 6 August 2015.

③ Mr.Ichiro Murata was appointed as Director, replacing Mr.Masashi Morimitsu who resigned on 9 December 2015.

And Mr.Sukthae Ruangwattanachot is Company Secretary.

Check and Balance of Non–Executive Directors

As of December 31st, 2015, the Board of Directors comprised of 10 directors as follows:

- Executive Directors 1
- Non-Executive Directors 6
- Independent Directors and Audit Committee 3

In the light of the above, the Company had 6 Non-Executive Directors, or 60% of the Board Members. There were three Audit Committee members who also in the position of Independent Directors, or 30% of the Board Members. The Non-Executive Directors include

1. Mr.Pornchak Manutham Director
2. Pol.Maj.Gen.Supchan Manutham Director
3. Mr.Goro Iwami Director
4. Mr.Tsuyoshi Kameda Director
5. Mr.Ichiro Murata Director
6. Mr.Subhavas Bandhuvadh Director

Report of the Board Members' Holding of Securities in 2014-2015
(The securities under the holding of the spouses and the underage children were included.)

First Name-Surname	Ordinary Share (Share)							
	As of 31 DEC 2014	Change in 2015				As of 31 DEC 2015	
						Share	Portion
1. Mr.Katsumi Nakato	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
2. Mr.Pornchak Manutham	325,000	Acquired	-	Sold	-	325,000	0.30
Spouse and underage children	-	Acquired	-	Sold	-	-	-
3. Pol.Maj.Gen.Supchan Manutham	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
4. Mr.Goro Iwami	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
5. Mr.Kazuhiko Noda ①	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
6. Mr.Tsuyoshi Kameda	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
7. Mr.Masashi Morimitsu ②	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
8. Mr.Ichiro Murata	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
9. Mr.Subhavas Bandhuvadh	500	Acquired	-	Sold	-	500	0.0005
Spouse and underage children	-	Acquired	-	Sold	-	-	-
10. Assoc.Prof.Dr.Lawan Thanadsillapakul	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
11. Mr.Yothin Vimoogtayon	-	Acquired	-	Sold	-	-	-
Spouse and underage children	-	Acquired	-	Sold	-	-	-
12. Mr.Prasert Kitisakkul	2,000	Acquired	-	Sold	-	2,000	0.002
Spouse and underage children	-	Acquired	-	Sold	-	-	-

Remark ① Mr.Kazuhiko Noda resigned as Director since 6 August 2015
② Mr.Masashi Morimitsu resigned as Director since 9 December 2015

The Authorized Directors

The authorization is "Mr.Pornchak Manutham or Pol.Maj.Gen.Supchan Manutham and Mr.Katsumi Nakato or Mr.Masashi Morimitsu jointly sign with Company's seal." However, after appointing the new Chief Executive Officer since 1 January 2016, the authorized directors would be changed to "Mr.Pornchak Manutham or Pol.Maj.Gen.Supchan Manutham and Mr.Ichiro Murata or Mr.Goro Iwami jointly sign with Company's seal."

Scope of the Board of Directors

The Board of Directors shall perform its entrusted obligations with its most endeavor, capability and experience under the guideline of Company's objectives, regulations, shareholder's resolutions, Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC) regulation and etc. with full carefulness for the interest and benefit of Company and shareholders.

The scopes are as follow:-

1. The Board will take part in the determination of the policy and direction of Company and to monitor and supervise the management to the policy efficiency and effectively for increasing the

maximize economic value and shareholders' wealth. Further, the Board should also concern the responsibility of social and environment.

2. Consider the operation plan and to develop Company to compete in the international level.
3. Evaluate Company's operation of Chief Executive Officer
4. Implement the efficient system of internal control and internal audit
5. Independent director and other external director should have their opinion to consider and review the strategy, management, appointment of director, operation standard, objection the other opinion when disagree in the issue which relate with equitable treatment of shareholder.
6. Consider to select and propose the appointment of external auditor and remuneration of external auditor
7. Having outside counsel or other professional to advise the board as necessary.
8. The board shall have Company secretary to take care of the activity of the Board and to help the board to work in line with law and regulation of Company.
9. Propose the appointment and retirement of director.
10. Consider and approve the business activity which relates with the financial status, liability, strategy and reputation of Company.
11. Consider the related transaction of parent company or affiliated company and to propose to shareholder's meeting if having materiality.
12. Company has determined to have the business ethics to be the guidance for directors and employees of Company.
13. Recognize the responsibility of the Board and to respect the right of shareholder and stakeholder.
14. Disclose the sufficient and correctly data for transparency.
15. Protect the benefit of mainly shareholder and minority shareholder with fairness.

The Board of Directors shall hold at least 4 meetings per year. The dates of the meetings throughout the year were set and each director was informed accordingly in advance. For preparation of the meetings, the Chairman and the Chief Executive Officer shall consider on the agendas. Each director has a right to propose the agendas which are beneficial to the Company. The Company Secretary shall submit the meeting materials, including the agendas and attachment, to the directors in advance for their preparation. In 2015, there were 6 Board of Directors meetings.

Scope of the Chairman

1. Summon the Board meetings and control submission of the invitation to the meetings as well as any other documents to provide adequate information in a timely basis to the directors.
2. Chair the Board meetings.
3. Promote standard of the Board in terms of corporate governance.
4. Chair the Shareholders meetings and control the meetings to be pursuant to the principles of the Company and the agendas.
5. Control the Shareholders meetings for efficient communication between the directors and the shareholders.
6. Comply with the law relating to duty of the Chairman.

1.2 The Audit Committee (AC)

The Audit Committee (AC) comprised of Independent Directors as follows:-

Name	Position
1. Assoc.Prof.Dr.Lawan Thanadsillapakul	Chairman of Audit Committee
2. Mr.Yothin Vimoogtayon	Director
3. Mr.Prasert Kitisakkul	Director

And Ms.Darawan Suksawat is the secretary of Audit Committee.

Mr. Prasert Kitisakkul is the person who had expertise and experience in auditing the Company's financial statement. (For details, please see the resume of the directors.)

Scope of the Audit Committee

The duty and responsibility of Audit Committee is consistency with the regulation of Audit Committee and Stock and Exchange of Thailand as following details:-

1. To review Company's financial reporting process to ensure accuracy and adequacy; and credible in accordance with general accepted accounting standards.
2. To review and ensure that Company has suitable and efficient internal control system and internal audit, to determine an independency of an internal audit unit, as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or other units that in charge of an internal audit;
3. To review the performance of Company to ensure compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws relating to business of Company.
4. To consider, select and nominate an independent person to be an external auditor of Company, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review transaction with related parties or transaction that may lead to conflict of interest to ensure the accurateness and completeness to ensure that comply with the laws and the Exchange's regulations, with reasonable the best benefits to Company;
6. To review the internal audit plan and operation of the internal auditor unit as well as coordinate with external auditor.
7. To prepare the audit committee report and disclose it in Company annual report. The report should be signed by the chairman of the audit committee which consists of at least the following information:
   - 7.1 An opinion on the accuracy, completeness and creditability of Company's financial report.
   - 7.2 An opinion on the adequacy of Company's internal control system,
   - 7.3 An opinion on the compliance with the law of securities and exchange, the Exchange's regulations , or Company business relating laws,
   - 7.4 An opinion on the suitability of an auditor,
   - 7.5 An opinion on the transactions that may lead to conflicts of interests,
   - 7.6 The number of the audit committee meetings, and the attendance of such meetings by each committee member.
   - 7.7 An opinion or overview comment of the audit committee performance with charter compliance,
   - 7.8 Other transactions which, subject to the audit committee's opinion, should be known by the shareholders and general investors, within the scope of duties and responsibilities assigned by Company's board of directors;
8. In perform the duty of Audit Committee, if the following transaction are found and might deliver some significant effect to Company' s financial statement and performance, the Audit Committee should report to the Board of Director to adjust or amend within proper time it may see fit.
   - 8.1 Transaction that might create conflict of interest,
   - 8.2 Fraud or any irregularity or deficiency in internal control system,
   - 8.3 Violate the regulation about security and stock market, regulation of SET or any laws related to company business.

If the Board of Directors or the management do not amend within the time as Audit Committee's consideration, one of the Audit Committee might report to SEC or SET that there is an action as from the above statement.

9. Other related matters assigned by the Board of Directors with the permission of the audit committee.

Definition of Independent Director

Company has set the definition of Independent Directors the same as the principles of Capital Market Supervisory Board (CMSB) and Stock Exchange of Thailand (SET). Details are as follow:

Independent directors are those not under the influence of major shareholders or groups of major shareholders, and command the following qualifications:

1. Their shareholdings must not exceed 1% of all shares entitled to voting rights of the Company, i.e. the parent company, its subsidiaries, its joint ventures, or juristic entities in potential conflict with the company. In this regard, the shares owned by persons related to them shall be counted as theirs.
2. They must not now be nor ever have been involved as executives, employees, hired workers, salaried consultants, or anyone with controlling authority of the Company, i.e. the parent company, its subsidiaries, its joint ventures, its associated subsidiaries, or juristic entities in potential conflict with the company, unless such association ended no less than 2 years before.
3. They are not related by blood or registered as being parents, spouses, siblings, children or spouses of the children and the executives, major shareholders, persons with controlling authority, or persons to be nominated as executives or persons of controlling authority in the Company or its subsidiaries.
4. They have no business relations with the Company, i.e. the parent company, its subsidiaries, its joint ventures, or juristic entities in potential conflict with the company in ways that might impair their independent judgment. They must also not be nor have been major shareholders, directors other than independent directors, or executives of entities having business relations with the Company , i.e. the parent company , its subsidiaries, its joint ventures, or juristic entities in potential conflict with the company, unless such association ended no less than 2 years before.
5. They are not be auditors of the Company, its corporations, its subsidiaries, its joint ventures, its major shareholders or its authorized persons and not significant shareholders, persons of controlling authority or partners of the auditing companies which employ the auditors of the Company, i.e. the parent company, its subsidiaries, its joint ventures, its major shareholders or its authorized persons, unless such association ended no less than 2 years before.
6. They must not now be nor ever have been a professional service provider i.e. legal consultants, financial advisors : receiving compensation for services rendered exceeding THB 2 million per annum from the Company i.e. the parent company, its subsidiaries, its joint ventures, major shareholders, persons with controlling authority, and not as significant shareholders, persons of controlling authority or partner of professional service provider unless such association ended no less than 2 years before.
7. They are not directors appointed as representatives of directors of the Company, major shareholders or of shareholders related to the major shareholders of the Company.
8. They shall not operate the same business and a significant competitive business with the Company, its subsidiaries, its joint ventures, its major shareholders and not the legal entities that may have conflict of interest, the executives, employees, hired workers, consultants receiving salaries or holding more than 1% of the overall ordinary share of the other companies which operate the same business and be significant competitors with the Company, its subsidiaries, its joint ventures, its major shareholders or the legal entities that may have conflict of interest.
9. They have no other attributes that obstruct them from forming independent opinions on operation of the Company. Generally, forming an independent opinion means giving an opinion or making a report as assigned, regardless of any benefits related to assets or positions, influence of any

persons or any groups of persons and pressure from any situations which obstruct them from giving a direct opinion.

After the appointment of the Independent Directors qualified under the above clause (1) to (9), the Independent Directors may be assigned by the Board of Directors to review, check or follow up the relevant issues of the Company, its subsidiaries, its joint ventures, its subsidiaries which are in the same ranking, its major shareholders or the persons with controlling authority in the form of collective decision and report such issues to the Board of Directors.

1.3 The Remuneration Committee (RC)

Remuneration Committee comprised as follows:-

Name	Position
1. Mr.Pornchak Manutham	Chairman of Remuneration Committee
2. Assoc.Prof.Dr.Lawan Thanadsillapakul	Director
3. Mr.Prasert Kitisakkul	Director
4. Mr.Goro Iwami	Director

And Ms. Chuntra Yingchareonchoke is a secretary of Remuneration Committee.

Scope of Work

1. To review and if necessary, propose the remuneration of the Company's directors serving on the Board of Directors.
2. To review and if necessary, propose changes or additions to senior management welfare, benefit, salary and bonus policies (such as employee stock options and other employee welfare allowances, subsidies and schemes).
3. To report to the Board of Directors on the Remuneration Committee's activities and findings.
4. Report to the Board of Directors and responsibility for explaining and answering any questions regarding the Board of Directors' remuneration in Shareholders' meeting.
5. Responsible for other tasks related to remuneration of Directors and Management as assigned by the Board of Directors.
6. The Committee should operate in good faith.

1.4 Corporate Governance Committee

The Board of Directors' Meeting no. 5/2015 on 5 November 2015 had resolved the appointment of Corporate Governance Committee comprised as follows:-

Name	Position
1. Assoc.Prof.Dr.Lawan Thanadsillapakul	Chairman of Corporate Governance Committee
2. Mr.Ichiro Murata	Director
3. Mr.Yothin Vimoogtayon	Director
4. Pol.Maj.Gen.Supchan Manutham	Director
5. Mr.Goro Iwami	Director

And Ms. Matthaneeya Thanatharanit is a secretary of Corporate Governance Committee

Scope of Work

1) To study, prepare and draft the corporate governance, Anti-Corruption Policies and Code of Conduct under current legal framework, criteria, regulations and rules stipulated by organizations that oversee the corporate governance such as the Stock Exchange of Thailand, the Securities and Exchange Commission as well as international standards of corporate governance, and to propose the draft of corporate governance policy to the Board of Directors to approve and use as best practices of the Directors, Management and employees in the form of written corporate governance policy statement.

2) To give advice to Directors, Management and employees of Company on how to perform their duties and fulfill their responsibilities in accordance with frameworks and criteria of corporate governance policy, Anti-Corruption policy and Code of Conduct to properly and constantly improve the performance of Directors, Management and employees of Company.

3) To review, revise and improve corporate governance and anti-corruption policies continually at least once a year to keep Company's corporate governance and anti-corruption policies up-to-date and well-adjusted to the international standards, laws, criteria, rules and regulations as well as recommendations from internal units that involve the corporate governance and from shareholders.

4) To follow up and assess the performance of the Directors and Management in compliance with best practices as specified in the corporate governance policy at the end of each year and to prepare an annual assessment report on corporate governance and propose to the Board of Directors by January next year, including any necessary opinion and suggestion

5) To propose guideline for best practices in relation to corporate governance and anti-corruption policy for business operation of the Directors, Management and employees of Company.

6) To review the Corporate Government Committee Charter at least once a year to keep the charter up-to-date and well-adjusted to the best practices, laws, criteria and regulations.

7) To appoint working groups to support the corporate governance mission as deemed necessary and appropriate. The Company would be responsible for the expenses incurred.

8) To assess the performance of Corporate Government Committee and to report the result of assessment to the Board of Director by January next year.

9) To perform any other assignment by the Board of Directors such as to consider and review Company's mission under current business environment, to review Company's objective to be in line with current business environment, to review and improve Article of Association to be in line the best practice that stipulated in the Corporate Governance Policy, and expansion of Company's business, etc.

1.5 Sub-Committee

Company has not yet been the nomination committee and others except Audit Committee, Remuneration Committee and Corporate Governance Committee.

1.6 The Management Committee

The Chief Executive Officer shall appoint Management Committee who has the responsibility to operate and supervise Company business. Management Committee comprises of

1.	Mr. Katsumi	Nakato	Chief Executive Officer
2.	Mr. Sukthae	Ruengwattanachot	Chief Operating Officer
3.	Mr. Masashi	Morimitsu	Chief Executive Engineering

And Mr.Sukthae Ruangwattanachot is the secretary of the Management Committee.

Remark : The Board of Directors' Meeting no. 6/2015 on 9 December 2015 had appointed Mr. Ichiro Murata to hold the position of Chief Executive Officer in place of Mr. Katsumi Nakato who resigned since 1 January 2015 onwards.

Scope of Chief Executive Officer (CEO)

CEO has the duty to supervise for achieving the target and meeting's resolution as the policy of the Board. The power of CEO is under the condition of laws and regulations of Company as below:-

1. Consider and approve the action plan of the Department
2. Consider and approve the requisition of the department which has no power.

3. For approval of the procurement exceeding the Management's direct authority (The Management has authority to approve of any expenses and procument within the amount of 5MB and 10MB respectively, as well as any purchases of raw materials for normal production.
4. Consider the investment plan before the proposal to the Board for approval.
5. Consider and approve the purchase of raw material as normal production.
6. Final approval by CEO for
   6.1) Change the source of purchase of raw material in local and aboard.
   6.2) Change or determine the sales price.
7. Primarily consider of employee bonus, and propose to the Board for approval.
8. Consider the appointment, transfer, punishment and dismissal the executive.
9. Having the power which identifies in Company's regulation.
10. Having the power to sign on behalf of Company in the document of sale and could assign the other person to operate temporally.
11. Having any power except the approval of related transaction as the regulation of Securities Exchange Commission (SEC).

1.7 Scope of the Company Secretary

The Board of Directors Meeting no. 1/2005 dated February 25th, 2005 had a resolution to appoint Mr. Sukthae Ruengwattanachot as Company Secretary for the Company's corporate governance. Company Secretary shall comply with Section 89/15 and 89/16 of the Securities and Exchange Act (No.4) B.E.2551, the law, the objectives, the articles of association, the resolutions of the board and the resolutions of the shareholders with accountability, thoroughness and honesty. The duties of Company Secretary are legally defined as follows:

1. Preparing and keeping the following documents: (a) a register of directors; (b) a notice calling a director meeting, minute of the board of directors meeting and an annual report of the company; and (c) a notice calling a shareholder meeting and minutes of the shareholders' meeting;
2. Keeping a report on interest filed by a director or an executive and submitting a copy of report on interest under Section 89/14 to the chairman of the board and the chairman of the audit committee within seven business days from the date on which the company has received such report;
3. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In addition, Company Secretary has any duties as assigned by the company:

1. Giving fundamental advice to a director on law and regulations and rules of the company, ensuring that acts are performed correctly and constantly, as well as reporting any significant changes to a director;
2. Legally disclosing actual and updated data and information to a stakeholder or an investor;
3. Being a center of communication for shareholders, general investors or any persons requiring details of the company;
4. Contacting the company's internal units for their compliance with the resolutions of board and the resolutions of shareholders, as well as performing any other acts as assigned by the board.

2. The Remuneration of Directors

Monetary Remuneration

According to the Annual General Shareholders' Meeting 2015, held on 10 April 2015, the remuneration of the Board of Directors and the Audit Committee was approved as follows:-

(Unit : Baht)

Group	Position	Meeting allowance (time/person)	Yearly remuneration (year/person)	Quarterly allowance (time/person)
The Board	Chairman	15,000	-	-
	Director	12,500	-	-
Audit Committee	Chairman	15,000	100,000	10,000
	Director	12,500	80,000	10,000
Remuneration Committee	Chairman	15,000	-	-
	Director	12,500	-	-

Furthermore, Annual General Shareholders' Meeting 2015 determined the yearly allowance of directors at not over than 4% of net profit after tax of consolidated financial statement.

For the remuneration of Corporate Governance Committee, the committee was just appointed from the Board of Directors. Thus, the remuneration was not yet determined by Annual General Shareholders' Meeting in 2015.

The Remuneration and the Frequency of the Board of Directors Meetings in 2014-2015

(Unit : Baht)

Directors	Annual Remuneration		Meeting Allowance		Entering of Meeting/Amount of Meeting (Time) per year	
	2014	2015	2014	2015	Ordinary (2014)	Ordinary (2015)
1. Mr.Katsumi Nakato	-	170,000	97,000	90,000	7/7	6/6
2. Mr.Pornchak Manutham	-	170,000	80,000	62,500	7/7	5/6
3. Pol.Maj.Gen.Supchan Manutham	-	170,000	80,000	75,000	7/7	6/6
4. Mr.Takeo Yamamoto	-	-	42,500	-	4/4	-
5. Mr.Kasuhiko Noda ①	-	101,909	45,000	12,500	4/7	1/4
6. Mr.Eiichiro Kato ②	-	-	12,500	-	1/4	-
7. Mr.Pramote Manutham ③	-	-	42,500	-	4/4	-
8. Dr.Kusaya Leerahawong ④	-	-	80,000	-	7/7	-
9. Mr.Masashi Morimitsu ⑤	-	159,946	37,500	75,000	3/3	6/6
10. Mr.Goro Iwami ⑥	-	170,000	37,500	62,500	3/3	5/6
11. Mr.Subhavas Bandhuvadh	-	170,000	80,000	75,000	7/7	6/6
12. Assoc.Prof.Dr.Lawan Thanadsillapakul	-	170,000	80,000	75,000	7/7	6/6
13. Mr.Yothin Vimoogtayon	-	170,000	80,000	50,000	7/7	4/6
14. Mr.Prasert Kittisakkul	-	170,000	80,000	75,000	7/7	6/6
15. Mr.Tsuyoshi Kameda ⑦	-	68,091	-	25,000	-	2/2
16. Mr.Ichiro Murata ⑧	-	10,054	-	-	-	-
Total	-	1,700,000	874,500	677,500	-	-

Remarks: The directors who resigned and appointed for replacement were listed as follow:

① Mr. Kasuhiko Noda was appointed and resigned from Director on 4 March 2013 and 6 August 2015 respectively.

② Mr. Eiichiro Kato resigned from Director since 8 May 2014.

③ Mr. Pramote Manutham resigned from Director since 7 August 2014.

④ Dr. Kusaya Leerahawong resigned from Director from 1 January 1 2015.

⑤ Mr. Masashi Morimitsu was appointed and resigned from Director on 8 May 2014 and 9 December 2015 respectively.

⑥ Mr. Goro Iwami was appointed as Director on 8 May 2014.

⑦ Mr. Tsuyoshi Kameda was appointed as Director on 6 August 2015.

⑧ Mr. Ichiro Murata was appointed as Director on 9 December 2015.

The Remuneration of Executive Directors

(Unit : Baht)

Detail	Directors who are management, and management	
	11 persons of year 2014	10 persons of year 2015
1.Salary	15,218,812	12,209,892
2.Meeting allowance	260,500	374,000
3.Bonus	1,407,797	778,490
4.Others welfare	3,070,269	2,594,386

Remark: Management remuneration comprising of expenses of Yuasa Battery (Thailand) Plc. and subsidiary. Said remunerations are not included in Company's expenses on staffs.

The Remuneration of the Audit Committee in 2015

(Unit : Baht)

Audit Committee	Quarterly and yearly allowance		Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2014	2015	2014	2015	2014	2015
1.Dr. Kusaya Leerahawong ①	140,000	100,000	170,000	-	12/12	-
2.Mr. Yothin Vimoogtayon	120,000	100,000	140,000	150,000	12/12	12/15
3.Mr. Prasert Kittisakkul	120,000	120,000	140,000	187,000	12/12	12/15
4.Assoc.Prof.Dr. Lawan Thanadsillapakul	120,000	120,000	140,000	225,000	12/12	12/15
Total	500,000	440,000	575,000	590,000	-	-

Remark: ① Dr.Kusaya Leerahawong resigned from Independent Director and Director of Audit Committee since 1 January 2015.

The Remuneration of the Remuneration Committee in 2015

(Unit : Baht)

Remuneration Committee	Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2014	2015	2014	2015
1. Mr. Pornchak Manutham	12,500	30,000	1/1	2/2
2.Dr. Kusaya Leerahawong ①	10,000	10,000	1/1	2/2
3.Assoc.Prof.Dr. Lawan Thanadsillapakul	10,000	25,000	1/1	2/2
4. Mr. Prasert Kittisakkul ②	-	25,000	1/1	-
5. Mr. Goro Iwami ③	-	-	-	-
Total	32,500	80,000	-	-

Remarks: ① Dr. Kusaya Leerahawong resigned from Independent Director and Director of Audit Committee since 1 January 2015.

② Mr. Prasert Kittisakkul was appointed as Director of Remuneration Committee since 27 January 2015.

③ Mr. Goro Iwami was appointed as Director of Remuneration Committee since 5 November 2015.

Other remuneration

- none-

3. Personnel

Number of the employees

Number of the employees of the Company and its Subsidiary as of 31 December 2015 was 624. Details of the expenses incurred in 2015 were described as follows:

Detail	Number of Employees (Person) As of 31 December 2015			Remuneration of 2015 (Thousand)		Welfare of 2015 (Thousand)		Expenses for Improving the Employees of 2015 (Thousand)	
	Company	Subsidiary	Total	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary
Head Office	70	43	113	27,393	13,981	3,195	7,475	77	-
Factory	511	-	511	148,083	-	8,047	-	564	-
Total	581	43	624	175,476	13,981	11,242	7,475	641	-

Other Remunerations

Apart from the remuneration mentioned above, the Company established a provident fund in 2005, according to the Provident Fund Act B.E. 2530. 3% of the employees' salary was paid by the Company to the provident fund. The employees could make a decision to be a member and pay 3% of their salaries. 2.35MB was recorded as expenses paid by the Company and its Subsidiary into the provident fund in the income statement in 2015.

Significant change in the number of the employees throughout the past 3 years

-N/A-

Labor disputes during the past 3 years

No significant labor dispute

Training Courses and Improvement of the Personnel

Training courses and improvement of personnel in 2015 are a conventional process intended to enhance the personnel's knowledge and skills for their efficient performance and safety.

Objectives of Training Courses and Improvement of Personnel

1. Training courses and improvement of personnel can create more efficient employees who have morale. They also promote loyalty to the organization and reduce accidents and loss which might occur from unawareness and in expertise.
2. The employees who are trained and enhanced will have knowledge, skills, positive thinking (not act like an 'overflowing cup of tea') and morale which result to career advancement.

Process of Training and Improvement of Personnel

1. Analyze demand of training and improvement
2. Check necessary demand of each group
3. Plan a training and improvement project
4. Propose the project for approval
5. Set practices of operation
6. Evaluate the results

Types of Training

1. Newcomer orientation: the objective is to introduce to them the environment, regulations, welfares, safe and correct practices, ISO9001:2008, ISO14001 as well as the management and the department managers, so that the new employees will be familiar with the company's society promptly and less serious. Topics talked in an orientation include (1) history of the company; (2) regulations and welfares of the company; (3) safety in work; (4) fundamental of ISO9001:2008; and (5) fundamental of ISO14001.

2. Internal training: the employees in all levels were trained to enhance their knowledge and competence in order to apply them to the operation. The training courses included both for supervisors and employees. One course per month was conducted, Writing and preparing meeting minutes, Efficient task and time management, How to cultivate awareness of sale working, English communication by e-mail/Fax and memo for working, Efficient inventory management.

3. External training: the employees were sent to be trained outside with training companies on specific fields of each person.

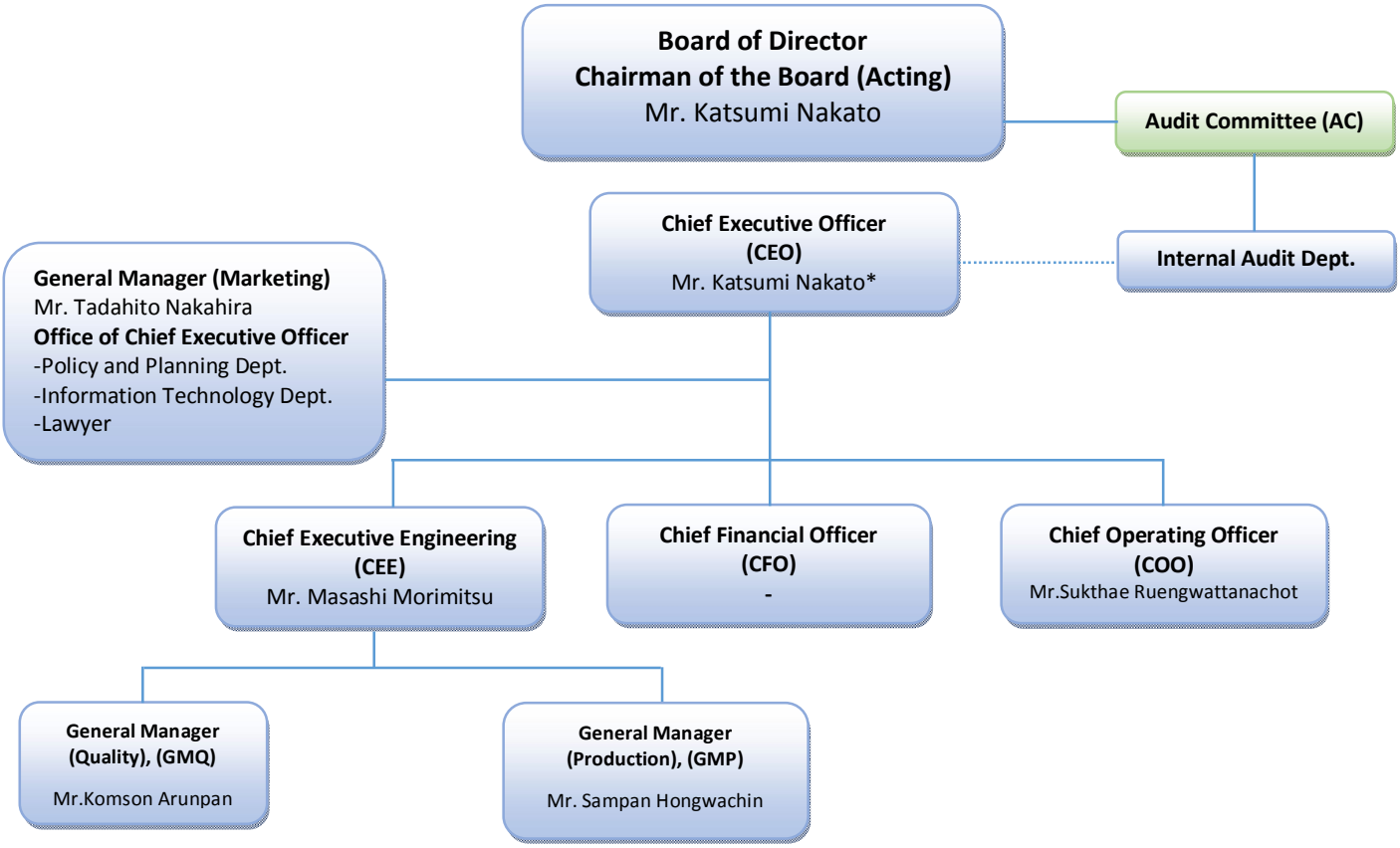
4. Educational tours: the employees were out for learning at several companies to open their visions and gain new experiences in order to apply them to their improvement.

Training for enhancing the employees' potential

Level of Employees	Average Training Hours / Employee	Target of Training
Management	16 Hrs.	1. To cultivate the management's vision, capability and high competence to become the organization's mechanic to drive the organization's strategy to be efficient and effective 2. To allow the management to build or lead changes and to be ready for administration under the guidance for developing the organization to be successful and visible 3. To build the management's international competitive competence for the present and the future
Executive Officers / Professional Officers (Level 6-9)	22 Hrs.	1. To cultivate more knowledge, competence, skills and good attitude towards work 2. To allow cooperation amongst the executive officers to jointly improve the organization and to drive the organization's mission towards the target
		3. To build harmony and mutual vision in unity for appropriate administration and problem solving without delay 4. To cultivate the executive officers' international competitive competence for the present and the future
Operational Officers (Level 0-5)	7 Hrs.	1. To systematically change the behavior and to provide the employees knowledge, understanding, necessary capability and good attitude in the departments' each work 2. To let the personnel to be able to work well and to do the colleagues' work 3. To increase the value of the organization's employees 4. To upgrade the career advancement 5. To cultivate the operational officers' international competitive competence for the present and the future

8.1 Organization Chart

The organization chart of Yuasa Battery (Thailand) Plc. and Subsidiary Company as of December 31, 2015



Remarks; * Now, Mr. Nakato had resigned from the position of CEO since January 1, 2016
and Board of Directors had already appointed Mr. Ichiro Murata to replace him since January 1, 2016.

Mr. Katsumi Nakato

Position **Chairman of the Board (Acting) and Vice Chairman of the Board, Chief Executive Officer (CEO)***

Date of Appointment **December 14, 2005**

Period of Position **10 Years**

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
Holding the position of Company's subcommittee • Nil **Age** • 61 Years **Nationality** • Japanese **Proportion of shareholding** • Nil **Relation to Management** • Nil **Legal Action** • Nil	**Education** • Social Science Department, Osaka University, Japan **Training** • Certificate of Thailand Institute of Directors (IOD) - Director Accreditation Program (DAP) 57/2004	2006-2015	Chairman of the Board (Acting) &Vice Chairman of the Board & Chief Executive officer, Yuasa Battery (Thailand) PLC. and Director & Vice Chairman Yuasa Sales and Distribution Co., Ltd
		2005	Director & Executive Vice President Yuasa Battery (Thailand) PLC. and Director Yuasa Sales and Distribution Co., Ltd

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Nil

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 6/6 Times
- Annual General Shareholder Meeting : 1/1 Times

Yuasa Sales and Distribution Co.,Ltd.

- Board of Directors Meeting : 6/6 Times
- Annual General Shareholder Meeting : 1/1 Times

Remark: *Mr. Katsumi Nakato had resigned as Vice Chairman of the Board and Chief Executive officer from January 1, 2016.

Mr. Ichiro Murata

Position **Director**

Date of Appointment **December 9, 2015**

Period of Position **1 Month**

Age / Nationality / Proportion of shareholding / Relation to Management

Holding the position of Company's subcommittee

- Corporate Governance Committee

(To be appointed as Corporate Governance Committee from January 1, 2016)

-

Age

- 50 Years

Nationality

- Japanese

Proportion of shareholding

- Nil

Relation to Management

- Nil

Legal Action

- Nil

Education Background / Training / Holding the position in other business

Education

- Mechanical Engineering ,Faculty of Engineering , University of Fukui, Japan

Training

- was not yet trained by Thailand Institute of Directors (IOD)

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Nil

Holding the position in other business that may lead to conflict of interest

- Nil

Working Experience in the Last 5 Years

Period	Position and Institution/Company
Present	Director, Yuasa Battery (Thailand) PLC.
2013	Division Manager, Production Engineering Division, Global Technical Headquarters, GS Yuasa International Ltd.
2010	General Manager, Production Division, Automotive Battery Business Unit and Promotion Division, International Business Unit, GS Yuasa International Ltd.
2009	Manager, Kyoto Automotive Battery Manufacturing Department, Production Division, Automotive Battery Business Unit, GS Yuasa Power Supply Ltd.
2005	Director and Chief Executive Engineer, Yuasa Battery (Thailand) PCL.
2004	Manager, Production Engineering dept., Production Engineering Center, GS Yuasa Manufacturing Ltd.Assistant Manager, Production Engineering DC, Yuasa Corporation.

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 0/0 Times
- Annual General Shareholder Meeting : 0/0 Times
- Corporate Governance Committee Meeting : 0/0 Times

Yuasa Sales and Distribution Co.,Ltd.

- Board of Directors Meeting : 0/0 Times
- Annual General Shareholder Meeting : 0/0 Times

Remark : Mr. Ichiro Murata has been appointed as Chief Executive officer from January 1, 2016 and Chairman of the Board (Acting) and Vice Chairman of the Board from February 18, 2016

Mr. Pornchak Manutham

Position Director

Date of Appointment December 8, 2003

Period of Position 12 Years

Age/Nationality/Proportion of shareholding/ Relation to Management

Holding the position of Company's subcommittee

- Chairman of Remuneration Committee 3 Years

Age

- 61 Years

Nationality

- Thai

Proportion of shareholding

- 325,000 shares or 0.30%

Relation to Management

- Younger brother of Pol.Maj.Gen. Supchan Manuthan

Legal Action

- Nil

Education Background and Training

Education

- Master of Business Administration, Thammasart University
- Bachelor of Business Administration, Ramkamhaeng University
- Bachelor of Science, Chulachomklao Royal Military Academy School

Training

- Certificate of Thailand Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 23/2004
  - Director Certification Program (DCP) 156/2012
  - Role of the Compensation Committee (RCC) 15/2012
  - Role of the Chairman Program (RCP) 28/2012

Working Experience in the Last 5 Years

Period	Position and Institution/Company
2003-Present	Director, Chairman of Remuneration Committee Yuasa Battery (Thailand) PLC. Director; Yuasa Sales and Distribution Co., Ltd

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Director; Yuasa Sales and Distribution Co.,Ltd. 12 Years
- Director; Metropolitan Motor Service Co.,Ltd. 20 Years
- Director; Fuij mercantile Co.,Ltd. 17 Years
- Director; Central Agency Co.,Ltd. 19 Years

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 5/6 Times
- Annual General Shareholder Meeting : 1/1 Times
- Remuneration Committee meeting : 2/2 Times

Yuasa Sales and Distribution Co.,Ltd.

- Board of Directors Meeting : 5/6 Times
- Annual General Shareholder Meeting : 1/1 Times

Pol.Maj.Gen.Supchan Manutham

Position **Director**

Date of Appointment **May 8, 2012**

Period of Position **3 Years 7 Months**

Age/Nationality/Proportion of shareholding/ Relation to Management

Holding the position of Company's subcommittee

- Corporate Governance Committee 1 Month (Appointed as Corporate Governance Committee from December 5, 2015).

Age

- 69 Years

Nationality

- Thai

Proportion of shareholding

- Nil

Relation to Management

- Older brother of Mr. Pornchak Manuthan

Legal Action

- Nil

Education Background and Training

Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of law, Thammasart University

Training

- Certificate of Thailand Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 91/2011

Working Experience in the Last 5 Years

Period	Position and Institution/Company
Present	Director and Corporate Governance Committee, Yuasa Battery (Thailand) PLC. and Director; Yuasa Sales and Distribution Co., Ltd
1992-Present	Director, Manutham Mansion Dept.Co., Ltd
2011-Present	Director, North East Green Energy (Thailand) Co.,Ltd.
2011-Present	Chairman, Zeer property Public Co.,Ltd.

Holding the position of director in the listed company

- Chairman Zeer property Public Co.,Ltd. 4 Years

Holding the position of director in other company

- Director; Yuasa Sales and Distribution Co.,Ltd. 3 Years
- Director; Manutham Mansion Dept.Co., Ltd 23 Years
- Director; North East Green Energy (Thailand) Co.,Ltd 4 Years

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 6/6 Times
- Annual General Shareholder Meeting : 1/1 Times
- Corporate Governance Committee Meeting : 0/0 Times

Yuasa Sales and Distribution Co.,Ltd.

- Board of Directors Meeting : 6/6 Times
- Annual General Shareholder Meeting : 1/1 Times

Mr. Goro Iwami

Position **Director**

Date of Appointment **May 8, 2014**

Period of Position **1 Year 7 Months**

Age/Nationality/Proportion of shareholding/ Relation to Management

Holding the position of Company's subcommittee

- Remuneration Committee 1 Month (Appointed as Remuneration Committee from December 5, 2015)
- Corporate Governance Committee 1 Month (Appointed as Corporate Governance Committee from December 5, 2015).

Age

- 43 Years

Nationality

- Japanese

Proportion of shareholding

- Nil

Relation to Management

- Nil

Legal Action

- Nil

Education Background and Training

Education

- Bachelor Degree in Faculty of Commerce, Meiji University, Japan

Training

- Was not yet trained by Thailand Institute of Directors (IOD)

Working Experience in the Last 5 Years

Period	Position and Institution/Company
Present	Director, Remuneration Committee, Corporate Governance Committee Yuasa Battery (Thailand) PLC. and Director; Yuasa Sales and Distribution Co., Ltd
Present	Manager, 1st Business Development Department, Business Development Division, International Business Unit, GS Yuasa International Ltd.
2013	Entered into GS Yuasa International Ltd
2009	Deputy General Manager Shibamoto & Co.,Ltd.
2007	President, SAS Foods, Inc. (Georgia Atlanta, U.S.A.) (Employee assigned to the office)

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Nil

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 5/6 Times
- Annual General Shareholder Meeting : 1/1 Times
- Remuneration Committee Meeting : 0/0 Times
- Corporate Governance Committee Meeting : 0/0 Times

Yuasa Sales and Distribution Co.,Ltd.

- Board of Directors Meeting : 5/6 Times
- Annual General Shareholder Meeting : 1/1 Times

Mr. Tsuyoshi Kameda

Position **Director**

Date of Appointment **August 6, 2015**

Period of Position **4 Months**

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	**Position and Institution/Company**
Holding the position of Company's subcommittee • Nil **Age** • 51 Years **Nationality** • Japanese **Proportion of shareholding** • Nil **Relation to Management** • Nil **Legal Action** • Nil	**Education** • Graduated from Department of Chemical Engineering of Himeji Institute of Technology, Japan **Training** • Was not yet trained by Thailand Institute of Directors (IOD)	Present	Director; Yuasa Battery (Thailand) PLC. and Director; Yuasa Sales and Distribution Co., Ltd
		2011-Present	General Manager, Technical Strategic Planning Office, Global Technical Headquarters, GS Yuasa International Ltd. and General Manager, Corporate Strategic Planning Office, GS Yuasa International Ltd. and General Manager, Automotive Battery Business Promotion Division, International Business Unit, GS Yuasa International Ltd.
		2009-2011	General Manager, Automotive Battery Business Promotion Division, International Business GS Yuasa International Ltd.

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Nil

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 2/2 Times
- Annual General Shareholder Meeting : 0/0 Times

Yuasa Sales and Distribution Co.,Ltd.

- Board of Directors Meeting : 2/2 Times
- Annual General Shareholder Meeting : 0/0 Times

Remark : Mr. Tsuyoshi Kameda has been appointed as Director from August 6, 2015

Mr. Subhavas Bandhuvadh

Position **Director**

Date of Appointment **April 19, 2004**

Period of Position **10 Years 8 Months**

Age/Nationality/Proportion of shareholding/ Relation to Management

Holding the position of Company's subcommittee

- Nil

Age

- 61 Years

Nationality

- Thai

Proportion of shareholding

- 500 shares or 0.0005%

Relation to Management

- Nil

Legal Action

- Nil

Education Background and Training

Education

- LL.B., Chulalongkorn University
- Certificate of International law at Hague, Netherlands
- Management and Marketing Program University of California at Los Angeles (UCLA) Extension

Training

- Certificate of Thailand Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 21/2004
  - Finance for Non – Finance Directors (FND) 14/2004

Working Experience in the Last 5 Years

Period	Position and Institution/Company
Present	Director and Company's Counselor; Yuasa Battery (Thailand) PLC.
2007-2014	Chief Operating Officer and Director, Yuasa Battery (Thailand) PLC.
2006-2007	Director, Listed Company Association
2006-2007	Director and Senior Executive Vice President, Yuasa Battery (Thailand) PLC.

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Nil

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 6/6 Times
- Annual General Shareholder Meeting : 1/1 Times

Assoc.Prof.Dr. Lawan Thanadsillapakul

Position Independent Director and Chairman of Audit Committee

Date of Appointment April 21, 2010

Period of Position 5 Years 8 Months

Age/Nationality/Proportion of shareholding/ Relation to Management

Holding the position of Company's subcommittee

- Audit Committee 5 Years 8 Months
- Remuneration Committee 3 Years
- Chairman of Corporate Governance Committee 1 Month

(Appointed as Corporate Governance Committee from December 5, 2015)

Age

- 59 Years

Nationality

- Thai

Proportion of shareholding

- Nil

Relation to Management

- Nil

Legal Action

- Nil

Education Background and Training

Education

- Ph.D. (Law) Lancaster University (UK) LL.M. (International Comparative Law and European Law) Vrije Universiteit Brussels Belgium
- Master degree of Law (Internation Law), Thammasat University
- Bachelor degree of Law, Thammasat University.

Training

- Certificate of Thailand Institute of Directors (IOD)
  - Audit committee Program (ACP) 35/2552
  - Monitoring Fraud Risk Management (MFM) 6/2554
  - Monitoring the internal Audit Function(MIA) 11/2554
  - Monitoring the system of Internal Control and Risk Management (MIR) 11/2554
  - Monitoring of the Quality of Financial Reporting (MFR) 13/2554
  - Role of the Compensation Committee (RCC) 14/2554
  - Director Certification Program (DCP) 141/2554
  - Financial Statements for Directors (FSD) 22/2556

Working Experience in the Last 5 Years

Period	Position and Institution/Company
Present	Independent Director and Chairman of Audit Committee, Remuneration Committee, Chairman of Corporate Governance Committee, Yuasa Battery (Thailand) PLC.
Present	Associate Professor of Graduate School, Faculty of Law, Kyushu University, Japan
Present	Assistant Professor, School of Law, Sukhothai Thammathirat Open University
Present	Director of the Institute for International Economic and Business Law Study
Present	Arbitrator of the Office of Arbitration
Present	Auditor of the Internal Quality Assurance at the university level
Present	Visiting Professor and Associate Professor in foreign University such as Japan, Belgium and United Kingdom etc. Invited Lecturer in the university such as Sripathum University and Thai Chamber of Commerce University etc.

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Nil

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 6/6 Times
- Annual General Shareholder Meeting : 1/1 Times
- Audit Committee Meeting : 15/15 Times
- Remuneration Committee Meeting : 2/2 Times
- Corporate Governance Committee Meeting : 0/0 Times

Remark : Assoc.Prof.Dr. Lawan Thanadsillapakul has been appointed as Chair of Audit Committee from January 27,2015

Mr. Prasert Kitisakkul

Position **Independent Director and Audit Committee**

Date of Appointment **April 21, 2010**

Period of Position **5 Years 8 Months**

Age/Nationality/Proportion of shareholding/ Relation to Management

Holding the position of Company's subcommittee

- Audit Committee 5 Years 8 Months
- Remuneration Committee 1 Years

Age

- 65 Years

Nationality

- Thai

Proportion of shareholding

- 2,000 shares or 0.002%

Relation to Management

- Nil

Legal Action

- Nil

Education Background and Training

Education

- Bachelor degree of science (Business Administration) La Salle University, USA.

Training

- Certificate of Thailand Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 39/2005
  - Director Certification Program (DCP) 139/2009

Working Experience in the Last 5 Years

Period	Position and Institution/Company
Present	Independent Director and Audit Committee, Remuneration Committee, Yuasa Battery (Thailand) PLC.
2009-Present	Board Director, Tien Fah Hospital.
2006-Present	Chairman of the Monitoring and Auditing Committee of the Police Management Plabplachai 2 Police Station.

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Nil

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 6/6 Times
- Annual General Shareholder Meeting : 0/1 Times
- Audit Committee Meeting : 15/15 Times
- Remuneration Committee Meeting : 2/2 Times

Mr. Yothin Vimoogtayon

Position **Independent Director and Audit Committee**

Date of Appointment **April 22, 2008**

Period of Position **7 Years 8 Months**

Age/Nationality/Proportion of shareholding/ Relation to Management

Holding the position of Company's subcommittee

- Audit Committee 7 Years 8 Months
- Corporate Governance Committee 1 Month

(Appointed as Corporate Governance Committee from December 5, 2015)

Age

- 68 Years

Nationality

- Thai

Proportion of shareholding

- Nil

Relation to Management

- Nil

Legal Action

- Nil

Education Background and Training

Education

- Political Science, Burapha University.
- Bachelor of Laws, Thammasart University.
- Mini MBA, Thammasart University.
- B.A. Economics Chiang Mai University.

Training

- Certificate of Thailand Institute of Directors (IOD)
  - Director Certification Program (DCP) 72/2006

Working Experience in the Last 5 Years

Period	Position and Institution/Company
Present	Independent Director and Audit Committee and Corporate Governance Committee, Yuasa Battery (Thailand) PLC.
Present	Director, Wat Benchamabopitr Dusitvanaram Association.
2004-2007	Deputy director of Excise Department.

Holding the position of director in the listed company

- Nil

Holding the position of director in other company

- Nil

Holding the position in other business that may lead to conflict of interest

- Nil

Number of meetings attended/Number of total meetings (Times/2015)

Yuasa Battery (Thailand) PLC

- Board of Directors Meeting : 4/6 Times
- Annual General Shareholder Meeting : 0/1 Times
- Audit Committee Meeting : 12/15 Times
- Corporate Governance Committee Meeting : 0/0 Times

Mr. Masashi Morimitsu

Position Chief Executive Engineer

Date of Appointment June 11, 2013

Period of Position 1 Year 6 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background / Training / Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
Holding the position of Company's executive ● Nil **Age** ● 41 Years **Nationality** ● Japanese **Proportion of shareholding** ● Nil **Relation to Management** ● Nil	**Education** ● Bachelor Degree of Physics, Faculty of Science and Engineering, Chou University, Japan **Training** ● Certificate of Thailand Institute of Directors (IOD) Director Accreditation Program (DAP) 115/2015 **Legal Action** Nil	2013-Present	Chief Executive Engineer, Yuasa Battery (Thailand) PLC.
		2014-2015	Director Yuasa Battery (Thailand) PLC.
		2011-2013	General Manager Yuasa Battery (Thailand) PLC.
		2010	Assistant Manager, Technical Dept., Automotive Battery Division, GS Yuasa Manufacturing Ltd.
		Number of meetings attended/Number of total meetings (Times/2015) Yuasa Battery (Thailand) PLC ● Board of Directors Meeting : 6/6 Times ● Annual General Shareholder Meeting : 1/1 Times Remark : Mr. Masashi Morimitsu had resigned as director from December 9, 2015	

Mr. Sukthae Ruengwattanachot

Position Company Secretary

Date of Appointment February 25, 2005

Period of Position 9 Years 10 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background / Training / Legal Action	Working Experience in the Last 5 Years	
		Period	Period
Holding the position of Company's executive ● Chief Operating Officer 1 Year (Appointed as Chief Operating Officer from January 1,2015) **Age** ● 48 Years **Nationality** ● Thai **Proportion of shareholding** ● Nil **Relation to Management** ● Nil	**Education** ● Master Degree of Economic Development, The National Institution of Development Administration (NIDA) ● Bachelor Degree of Economic and Bachelor Degree of Accounting Ramkhamhaeng University ● Bachelor Degree of Law, SukhothaiThammathirat Open University ● Tax Auditor **Legal Action** ● Nil	Present	Chief Operating Officer & Company Secretary & Secretary of Management Committee Yuasa Battery (Thailand) PLC.
		20006-2014	General Manager (Operation) & Company Secretary & Secretary of Management Committee Yuasa Battery (Thailand) PLC.
		2004-2005	Policy & Planning Manager & Company Secretary & Secretary of Management Committee Yuasa Battery (Thailand) PLC.
		2003-2004	Manager, office of the President

Mr. Komson Arunpan

Position General Manager (Quality)

Date of Appointment August 1, 2014

Period of Position 1 Year 4 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
Holding the position of Company's subcommittee • Nil **Age** • 46 Years **Nationality** • Thai **Proportion of shareholding** • Nil **Relation to Management** • Nil	**Education** • Bachelor Degree of Science, Faculty of Science Naresuan University **Legal Action** • Nil	Present	General Manager (Quality), Yuasa Battery (Thailand) PLC.
		2007-2013	General Manager (Plant), Yuasa Battery (Thailand) PLC.
		2006-2007	Plant Manager, Yuasa Battery (Thailand) PLC.

Mr. Sampan Hongwachin

Position General Manager (Plant)

Date of Appointment July 1, 2015

Period of Position 5 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
Holding the position of Company's subcommittee • Nil **Age** • 45 Years **Nationality** • Thai **Proportion of shareholding** • Nil **Relation to Management** • Nil	**Education** • Bachelor Degree of Science, Faculty of Science Burapa University **Legal Action** • Nil	2014-Present	General Manager (Plant) Yuasa Battery (Thailand) PLC.
		2013	Assistant General Manager (Plant) Yuasa Battery (Thailand PLC.

Miss Darawan Suksawat

Position **Internal Audit Manager**

Date of Appointment **April 3, 2006**

Period of Position **8 Years 8 Months**

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
Holding the position of Company's subcommittee • Secretary of Audit Committee 8 Years 8 Months **Age** • 47 Years **Nationality** • Thai **Proportion of shareholding** • Nil **Relation to Management** • Nil	**Education** • Master Degree of Business Administration Ramkhamhaeng University • Bachelor Degree of Business Administration Rangsit University **Training** Program "Financial Management 's new visual", "Risk Management in Financial & Accounting","IT Audit Practice and update new knowledge" , "Risk Assessment Method for Internal Audit Planning", "COSO Enterprise Risk Management Integrated Framework", "Effective Minute Taking" **Legal Action** • Nil	2006-Present	Internal Audit Manager and Secretary of Audit Committee Yuasa Battery (Thailand) PLC.

Miss Phatcharee Apirak

Position **Financial and Accounting Manager**

Date of Appointment **July 1, 2015**

Period of Position **5 Months**

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
Holding the position of Company's subcommittee • Nil **Age** • 44 Years **Nationality** • Thai **Proportion of shareholding** • Nil **Relation to Management** • Nil	**Education** • Bachelor Degree of Business Administration (Accounting) Ramkhamhaeng University **Legal Action** • Nil	Present	Financial and Accounting Manager Yuasa Battery (Thailand) PLC. and Yuasa Sales and Distribution Co., Ltd
		1997-Present	Financial and Accounting Manager Yuasa Sales and Distribution Co., Ltd

9. Corporate Governance

Corporate Governance

The Board is aware of the importance of good corporate governance as it will bring transparency, the stakeholders' trust and sustainable growth to the Company All of these are important factors which lead to efficient and effective administration and continuous and steady expansion of business. Moreover, in order to conform to government regulations and the SET regulations. The Company has assigned the Policy and Planning Department to review the compliance of corporate governance every year in order that good practices would be realized and performed continuously by all concerned departments, and to follow the additional guideline of good practices that shall be issued by involved agencies of Stock Exchange of Thailand, and to make the action plan for improving of practice as Good Corporate Governance, in line with the criteria of evaluation continuously. And such plan would be proposed to the Management to consider and monitor its improvement every quarter. As a result of said operation frequently, CG score by evaluation of Thai Institute of Directors (IOD) of Company exceeded the average of total score of listed companies and its trend of score became increased continuously. The Board of Directors defined the corporate governance policy with the following details:-

Good Corporate Governance Policy

The Board of Directors has an important role in defining the visions and the strategies, including the significant policies and plans. All of these shall be considered on the basis of risk factors and appropriate operating plans.

The Board of Directors shall control the operation, protect the benefits and fairly disclose the information to all stakeholders.

The Board of Directors shall be the leaders in terms of ethics and shall be the role models in terms of compliance with good corporate governance.

The Board of Directors shall control the business operation to be pursuant to the operating policy for sustainable growth and more business value under law and business ethics and to be thoroughly conducted for the shareholders' highest benefits.

The Board of Directors shall remind of the rights of each stakeholder and shall prevent any conflicts of interest.

The Board of Directors shall govern the operation to provide adequate and appropriate risk management and internal control.

The Board of Directors shall take charge of the operation to be transparent and to disclose the accurate related information on a timely basis.

The Company defined the code of conduct for the directors and the employees' compliance.

Principles of Good Corporate Governance

In pursuant with the abovementioned guidance, the Company would like to report the compliance with the principles of corporate governance to be in line with those stated by the Stock Exchange of Thailand. The details were grouped into 5 following categories:

1. **The Rights of Shareholders**

Company recognizes the right of shareholders and to have the policy to encourage the basic shareholder right for instance, buy, sell, or transfer shares, share in the profit of Company, participate and vote in the shareholder meeting, exercise the rights to give opinion or suggestions, exercise the rights to elect or remove members of the Board and make decision on any transactions that affect Company.

In addition, Company has provided the convenience for shareholders to exercise their right as below:-

The shareholders were given an opportunity to propose agendas of the Shareholders Meeting and names of candidates for directors in advance during September 29th, 2015 to December 31st, 2015. The information was disclosed to the shareholders via the news system of the Stock Exchange of Thailand. The criteria and process are clearly announced on the website of the Company, www.yuasathai.com, in the section of "Investment Data" under the topic of "Data of the Annual Meeting."

Participate in the Annual General Shareholders Meeting and Extraordinary General Shareholders Meeting in the event of having special agenda to consider.

Disclosing the invitation letter, agenda items and concerned data of shareholder meeting in Company's website about 1 month prior to sending the documents, including notifying the right of shareholder meeting for entering and voting of shareholders.

Remunerations for the Board of Directors, the Audit Committee and the Remuneration Committee are proposed for approval of the shareholders every year.

Company gives the shareholder's right in advance prior to meeting date to propose their opinion, comment and questions related to Company's operation by E-mail: sukthae@yuasathai.com and matthaneeya@yuasathai.com

In the shareholder meeting, Company gives the shareholder's right to make the proxy to attend and vote on behalf of shareholders by the independent director who is appointed by Company or grant authority to the other person to attend the meeting.

In the meeting, Company will allocate appropriate time for discussion and encourage shareholders to express their opinions and inquire questions relating to Company's operation prior to the resolution of said agenda.

Company will provide a specialist to answer questions in case of inquiry by the shareholders.

Company facilitates the shareholders, including the institutional investors (if any), for their attendance at the shareholders meeting. Company selects the venue which is sufficiently accessed by public transportation for the shareholders' convenience.

2. Equitable Treatment of Shareholders

Company had the policy to commit to shareholders with fair and equitable treatment which is consistency with rule, law and preventive measurement of inside information use for abusive self-dealing. The details are summarized as follows:-

Each shareholder shall have his votes at equal to total number of shares held, as one share shall be counted one vote.

Shareholder has an alternative to propose the agenda items or the appointment of independent director to Company prior to the meeting date via Company's website (www.yuasathai.com). The shareholder shall have the share not less than 5% of total number of shares and has held said shares continuously not less than 12 months, from the day starting holding shares to the day proposing the agenda items.

The Board determines the countermeasure to protect the inside information such as insider trading etc. Company will have the announcement to prohibit the director who just retired within 6 months, and the management to buy or sell Company' share within one month prior to financial statement's disclosure date and three days after the disclosure. Further, the directors and management must report their share within 3 days after buying or selling the share to SEC and send the said report to Company.

Company shall deliver any documents to shareholders appropriately such as sending invitation letter, annual report and proxy form etc. to shareholders 7 days prior to meeting date. Each agenda items shall have the opinion of directors and in shareholder meeting, Company shall record the minutes by corrective, completeness for shareholders' checking.

After completion of the annual shareholders meeting, Company shall make minutes of the report within 14 days and submit it to SET, also disclose the said report for shareholders on Company's website.

Shareholders Meeting

Company shall send invitation letter, together with attached documentation to all shareholders 7 days prior to the date of meeting. Each agenda to be discussed or considered in the meeting was also attached with the comment of board of directors. The minutes of the meeting shall be recorded completely and accurately for the shareholders' review.

At the 2015 Shareholders' Meeting, 8 out of 10 directors attended. The Chairman fairly provided the shareholders opportunities to express their opinions, to ask the meetings on various issues relating to the Company's operation and to give some suggestions. All of these shall be recorded in the minutes. Moreover, the Board selected the venue of the meeting which was convenient and easily accessible for the shareholders.

3. Policy and practice of Company toward concerned stakeholder

Company treats fairly to stakeholders, both internal and external stakeholders, employees and management of Company and Subsidiary, and shareholders, customers, suppliers, creditors, the community in which Company operates, society, the government and others. Company recognizes the support of stakeholder which creates the wealth to Company, thus, Company has the policies and practice as follows:-

3.1 Policy and practice toward employee

Company recognizes that employees are an extremely valuable asset and they make essential contributions to Company's achievement of its goals. As a result, it is Company policy to treat employees fairly in all respects including employment opportunity, remunerations, promotion and professional development. Company has established the followings;

To treat employees fairly and courteously while paying due respect to individuality and human dignity.

To provide fair remuneration for the employees. Bonus is also paid to the employees based on the operating results of each year. Provident fund is prepared for the employees, according to Provident Fund Act; the Company pays 3% of the employees' salaries into the fund and each employee pays 3% of his/her salary. In 2015, the Company and its Subsidiary paid THB 2.35 million to the fund.

To conduct appointments and rotations and provide rewards and disciplinary actions in good faith on the basis of competence, capability and suitability.

To listen to opinions and recommendations based on employees' professional competence.

To give priority to skill and knowledge development on a regular and equitable basis.

To promote the capability employee by fairness treatment.

To comply with all employee-related laws, rules and regulations.

To maintain a work environment that does not endanger employees' life or property.

To avoid any unfair action that may affect employees' job security or harass or psychologically threaten the employees.

To provide the welfare of transportation for convenience of employee and also to provide luncheon and allowance of pass away of parent spouse or child including loan of home repairing and education of child.

The Company gives a priority to the employees by providing the employees the opportunities to communicate, suggest and complain issues relating to their supervisors' operation. All of the data are considered in good faith to find solutions and countermeasures for benefits of all the parties. Moreover, the employees can report the issues to the Compliance Committee. The information of the whistleblowers is kept confidently.

3.2 Policy and practice toward shareholder

The shareholders are the business owners and Company has the duty to create long-term sustainable values for its shareholders. As a result, directors, executives and staff are required to commit to the following:

To report on Company's performance, financial and accounting information and other aspects of its business accurately on a regular basis.

To perform their duties loyally and honestly; to make decisions with honesty, prudence, thoroughness and fairness for the maximum benefits to all shareholders equitably.

To inform shareholders of both negative and positive aspects of Company on a realistic and timely basis supported with appropriate information and reasons.

To refrain from seeking benefit for oneself and others by using Company's information which is not in the public domain or acting in any way that may cause a conflict of interest with Company.

3.3 Policy and practice toward customer

Customer satisfaction is of great importance to Company's success. Company intends to respond to customer's demands effectively and efficiently and to continuously improve this response. Its policies and practice guidelines are as follows:

To deliver quality products and services which meet customer's expectations at a fair price

To give accurate, adequate and timely information about its products and services to customers without exaggeration that may lead to misunderstanding about the quality, quantity or condition of such products or services.

To strictly comply with the terms and conditions provided to the customers. In the event that any particular condition can't be met, Company is required to immediately notify the customers concerned and jointly seek solution to the problem.

To deal with customers in a polite and efficient way and to gain their trust.

To safeguard customer confidentiality and to refrain from abusing it for personal interest or for the interest of other parties.

To set up a system and process where customers can place complaints regarding the quality, quantity or safety of Company's products and services; as well as the speed of response and delivery.

3.4 Policy and practice toward trading partners

Company has a policy to equitably and fairly treat its trading partners, taking into consideration Company's interest and on the basis mutual benefit. In addition, it intends to avoid circumstances that may lead to a conflict of interest. It makes efforts to comply with all contractual obligations, provide reliable information and accurate reports, confer or negotiate for solutions to problems on the basis of following guidelines:

Company shall operate in line with the conditions of agreement. If not, Company shall inform the trading partners in advance to solving the problem together.

Company shall not demand, receive or pay any improper benefits to its trading partners.

Should it become known that corrupt demand, fraudulent receipt or payment of any improper benefit occurs, full information will be disclosed to the trading partners involved and Company shall collaborate with the parties concerned to resolve the problem on a fair and timely basis.

For selection of the business partners, the Company's procurement manual states the criteria of the selection which covers competence of provision, expertise, experience, financial status, history relating to complaints and legal prosecution as well as risk from their provision of services. These criteria help in fairly treating the partners for the Company's highest benefits.

3.5 Policy and practice toward creditors

Company has a policy to make a good relation with the creditors which is consistency with the condition for creating the confidence and trust as following guideline:-

Creditors should be treated by fairness and equitability in term of the receive or payment of Company and creditors.

Company shall strictly comply with all the terms and conditions agreed upon in a transaction. In the event that any particular condition cannot be met, Company will inform the creditors concerned beforehand and seek a mutually acceptable solution.

3.6 Policy and practice toward competitor

Company sets a policy toward its business competitors in a way consistent with international practice and the legal framework for business competition. It will not spy on or fraudulently seek knowledge of its competitors' trade secrets. It sets the following guidelines for practices:

Company shall treat competitors within a fair competition framework.

Company shall not damage competitors' reputation by abusive accusation.

Company shall not fraudulently or inappropriately seek confidential information of its competitors such as dumping, stealing of the competitor's data etc.

3.7 Policy and practice toward social and economic

It is Company policy to conduct business that will benefit the economy and society while safeguarding customs and traditions of communities in countries where it operates in. It is also Company's policy to become a responsible corporate citizen, to comply with all relevant laws, rules and regulations and to contribute to uplifting quality of life either by itself or through close collaboration with the relevant authorities and the communities.

3.8 Policy and practice toward Environment

Company is concerned about the impact of environmental from the production process. Thus, Company shall improve and develop the system of environmental management as according to international standard. Further, we shall determine the objective, target, plan and assessment clearly including disclosure of information and to cooperate with employee, customer and government or private sector as well. Further, Company recognizes to use the natural which is the highest advantage to organization and social.

Quality and environmental policy of Company is "Company emphasizes to develop the quality of product and environment as the demand of organization and customer". The details are as follows:-

To develop the quality system of TS16949 or relative and ISO140014 with customers or suppliers.

To conduct in line with the regulation and law of environment.

To control and decrease the pollution of waste water, dust, acid vapor, lead and chemical to community continuously.

3.9 Receiving Complaints of shareholder or stakeholder to Directors or Company

The Company provides the stakeholders to complain, express opinions or give some suggestions to the Board of Directors for the Company's benefits and more value via email addresses of the related secretaries and departments or mailbox. Details are as follows:-

To contact the directors, through the Company Secretary, sukthae@yuasathai.com or 02-769-7300;

To contact the independent directors, through the Secretary to the Audit Committee, darawan@yuasathai.com or 02-769-7300;

Another contact; Policy and Planning Department, Yuasa Battery (Thailand) PLC. 164 Moo 5, Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muang Samutprakan, Samutprakan, 10280 or matthaneeya@yuasathai.com

The Policy and Planning Department will forward the issues to the Board of Directors or the Audit Committee. The information of the whistleblowers and the other details is kept confidentially.

4. Disclosure and Transparency

Company has the policy to disclosure the data and information which relate with business and operation, both financial and non-financial statement, correctly, accurately, on a timely and regularly basis and transparently, to stakeholders or investors.

In addition, Company also discloses any information in our website in English and Thai language at www.yuasathai.com In our website, it shall be divided by categories for convenience of those concerned such as director resume, Company's structure, annual report, regulation, battery type and size including the dealers, knowledge of product and quarter or yearly financial statement.

4.1 Disclosure of related transaction (Please see the related transaction's item)

The Company is aware of the benefits and the fairness for all the shareholders. For prevention against conflicts of interest and transparent and traceable operation, the Company defined a clear policy on disclosure of related transactions to build confidence of the shareholders, the investors and the stakeholders. The Company conducts the operation under the criteria, conditions and methods of the announcement of the

Securities and Exchange Commission of Thailand B.E. 2546 about disclosure and compliance of the listed firms on related transactions.

For the transactions, the sizes are considered and proposed to the Audit Committee. The Committee then reviews and proposes for approval of the Board of Directors. In addition, the related transactions and the financial statements are repowered to the Audit Committee and the Board of Directors every quarter. The Committee and the Board considers the transactions based on the reasons, the Company's benefit and the prices or returns, pursuant to the criteria of the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand. Therefore, the Company is confident that these transactions were made under the fair criteria.

Besides, the Company disclosed the number of the companies, both listed and non-listed, which the Company's directors worked for in the resume of the directors; 5 companies at maximum.

4.2 Disclosure of Company's share of director and management

Director, management and auditor including their spouse has to make the report of Company's share as stipulated the order of Securities Exchange Commission no.Sor.Jor14/2540 subject the report and disclosure the share.

5. Board Responsibilities

The Board consists of directors with various qualifications which are having skills, experience and expertise that are useful to Company for setting the policy in short and long term including financial policy and risk management. Moreover, the Board plays and important role to supervise and assess Company's operation and performance of higher management as planned. The detail is as below:-

5.1 Leadership and vision of Board

The Board has participated with the management by taking into account and making an approval of vision, mission, strategies, aim of Company's action plans and also the approval of Company's yearly budget. This is including of supervising the management to perform the business efficiently in accordance with the action plan's target and budget, which shall help add the highest economic value to the business and a strong firm to shareholders.

5.2 Duty and responsibility of Director, Audit Committee, Chief Executive Officer and Company secretary (Please see item Management and Shareholding Structure)

5.3 Directors and management remuneration (Please see the item Management and Shareholding Structure of money remuneration)

Director remuneration: Company has set the remuneration policy based on the concept of clearness and transparency whereby such remuneration is equally leveled in line with the same industry and high enough to draw and keep such qualified directors. The said remuneration, however, was already approved by the shareholder meeting.

Management remuneration: It is relatively in line with the policy that set by the Board of Directors and also in correspondent with the operation performance of Company and each individual's management's perform.

5.4 Joint or Separate position

The Company's Chairman of the Board of Directors is the representative of the major shareholder (GYIN) which holds 40.69 percent of all shares. The Chairman also holds the position of Chief Executive Officer. However, the structure of the Board of Directors is comprised of not less than three independent directors. Pursuant to the Stock Exchange of Thailand, this number is sufficient for check and balance.

5.5 Director report

The Board of Directors shall be responsible for the separate financial statements and the consolidated financial statement and financial information as shown in annual report. The said financial statement is

prepared in conformity with generally accepted auditing standards in the country by using suitable accountant principles, regularly practice, careful discretion and the best evaluation and also having an adequate disclosure of essential information in the notes thereto.

The Board shall also maintain to the best effectiveness of the said internal control systems to ascertain that all the accountant records are correct, completes and adequate for maintaining and keeping its assets and to better control of its own weakness to prevent a possible fraud or material abnormality of business performing.

Company has determined to sign the certification and responsibility of financial report of each director in of report 56-1 which disclose to shareholders and stakeholder in every year. Further, Chief Executive Officer and Finance and Accounting Manager also certify the correctives and completeness of financial statement which disclose as SET' regulation in each quarter.

5.6 Self-evaluation of the Board of Directors

The Board of Directors evaluates their own working performance at least once a year to review whether the corporate governance of each operation is enough or not. Also, the result is used as supportive data for the Management to improve and develop the administration. The result of evaluation is reported to the Board of Directors meetings for acknowledgement and analysis for execution of the Management. Details of the process are as follows:-

The Secretary submits the evaluation form designated by the Securities and Exchange Commission of Thailand for all the directors' evaluation in the fourth quarter and gathers them for the results.

The Secretary summarizes the evaluating results in overall image and informs them to the Board in the beginning of the next year. The results are then analyzed and evaluated for improvement.

5.7 Improvement of Directors and Executive

The company has a policy to encourage and support the Directors, Executive and Company Secretary to attend training courses held by outside agencies such as the Thai Institute of Directors (IOD), Thai listed Company Association, and other institutions related. This is to ensure that their duties are implemented effectively. The Company Secretary shall make the history of training courses, and propose the appropriate courses to each director for consideration. In 2015, Mr. Masashi Morimitsu, the director who attended the training course for Director Accreditation Program – DAP (English Version) session number 115/2015 of Thai Institute of Directors (IOD).

For a new director, the Company has a policy to prepare an orientation. The Company Secretary provides the Director Guidance which contains details of the roles, duty and responsibility, holding and trading of securities, report of interests, management of meetings, disclosure of information, contact with the management, remuneration and benefits of the Board and the Sub-committees, table of authorization and general information of the Company. In 2015, the Company prepared the director's handbook for two new directors - Mr. Tsuyoshi Kameda and Mr. Ichiro Murata.

5.8 Report of Interests

The Company defined that the directors and the authorized persons shall make reports of their relevant persons and their own interests. The reports are required for submission to the Company Secretary upon appointment or any changes of the data. The Company Secretary has the duty to keep and make reports of the changes to inform the directors and the Chairman of the Audit Committee, according to the Stock Exchange Act B.E. 2535.

5.9 Business ethics

Company has emphasized on the importance of the ethics in operating a business which is considered as a principle for the Management and staff in performing their duties to be appropriate for the internal and external environment. Also the directors, the Management, and staff of Company can hold the ethics as a

method to honestly perform duties to Company, the public and society in order to achieve Company's target. The business ethics of Company was disclosed on the website www.yuasathai.com

The guidance of business ethics will be informed to all of the employees for their acknowledgement and understanding. The guidance will be used as working principles. The violators shall be investigated and punished reasonably, such as discharge and legal prosecution. The guidance might not cover all cases. In the event of undefined ethic issues, the employees should ask their supervisors, Human Resource Manager, internal auditors or directors.

Sub-Committees

- **Audit Committee**

The Audit Committee comprises of 3 independent directors who hold 1 or less than 1 per cent of the Company's share. The members shall not be executives and must have knowledge, understanding and experience on accounting and/or finance. The Committee has duty to share burden of the Board of Directors in terms of control of corporate governance, especially on defining the visions and providing clear opinions on the financial reports and internal control. The members shall control the Company's compliance to the law, the rules and the relevant regulations as well as the complete disclosure of financial reports under the relevant standard and regulations. The reliable and quality financial reports add value to the organization.

The Audit Committee shall hold at least 1 meeting per quarter to govern and follow up to issues mentioned previously. The Company's external auditor shall attend all of the meetings relating to consideration on the financial reports.

The Company's Internal Audit is responsible for the activities of the Audit Committee, like preparation of the meetings (meeting agendas, relevant documents, submission of the agendas to the Audit Committee, taking the minutes and keeping the meeting materials).

- **Remuneration Committee**

The Remuneration Committee consists of three members, appointed by the shareholders or the Board. The Remuneration Committee has duty to control the fair and transparent operation of providing remuneration for the directors and the top management.

For consideration on the remuneration, the Remuneration Committee makes the decisions based on many factors, such as comparison with the similar companies in the same industry, the corporate operating results and the responsibilities.

- **Corporate Governance Committee**

Corporate Governance Committee comprises of five members was appointed by Board of Directors' Meeting 5/2015 on 5 November 2015. The Corporate Governance Committee has the duty to stipulate and advise to Directors, Management and employees of Company on how to perform their duties and fulfill their responsibilities in accordance with frameworks and criteria of corporate governance policy, Anti-Corruption policy and Code of Conduct to properly and constantly improve the performance of Directors, Management and employees of Company. The committee has just been appointed and will perform the activity since 2016 onwards.

- **Other Sub-Committees**

The Nomination Committee and other sub-committees had not established, apart from the Audit Committee, the Remuneration Committee and Corporate Governance Committee.

5.10 Recruitment and Appointment of Directors and Management

The Appointment of Directors

The Company had not established the Nomination Committee. Therefore, there was no procedure of selecting the new Board of Directors. To appoint a new director, a sub-committee is founded to propose the appropriate candidates to the Board case by case. The procedure is described as follows:-

The Board shall take into consideration of a selected director based on experience, vision, capability and personal character and submit it for further approval of the shareholder meeting.

In any annual shareholder meeting, as according to Company's regulations, a one-third of directors must retire and in the event the retiring director is to be reelected, then, the approval of shareholder meeting is required. In nominating director for the meeting's appointment, Company shall have sufficient information of such person for the decision of shareholders.

As according to the regulations of Company, the shareholder meeting shall appoint the directors as according to the following methods.

Each shareholder shall have one vote for each share held

Each shareholder shall give all the votes that he is entitled to exercise as specified in (1) to each candidate or several candidates at once, as a case may be. The number of votes cannot be split, equally or otherwise, for any particular candidate.

The candidates shall be ranked in order descending from the highest number of vote received to the lowest and shall be appointed as directors in that order until the directors position required are filled. In case the candidates in descending are tied in which causes the number of directors to be exceeded, the chairman shall have a casting vote.

5.11 Supervision of operations of subsidiary Company

The Company holds a 99.99 percent in Yuasa Sales and Distribution Co.,Ltd. (Subsidiary Company). So, the Company has delivered some of the directors as a director of a subsidiary. The company has established the regulations of subsidiary Company to have the rules of entering into the related transaction, acquisition or disposition of assets, or making any other important items of subsidiaries. Its rules comply with the criteria of Company relating with the disclosure and entering into the transaction. Further, the Company will supervise to have the keeping of information and the accounting record of subsidiary Company in order that it could be checked and collected to make the consolidated financial statements on schedule.

5.12 Monitoring usage of inside information

Conflict of Interest In prevention of conflict of interest, the board has carefully supervised when there might be a transaction that might have a conflict of interest, by setting a written policy and procedures for approval of said interrelated transaction. Furthermore, the policy and method preventing the management and any concerned person in using the inside information for their personal interest has been set as follows;

Transaction that might have a conflict of interest: The Board has learnt of those conflicts of interests and interrelated transactions and has carefully considered the appropriateness of the issues. This including the performance as set in the Stock Market's rules of Arm Length Basis and also already disclosed in the annual report and Form 56-1 of all the details, the value of transactions, the parties involved, the reasons/ necessity. (Please see the item of related transaction)

Policy on the internal information: Company has a policy and method to ensure that Company's internal information shall not be used by the management for his personal interest or for sale acquisition of securities, particularly during the period of 1 month prior to the disclosure to public of any balance sheet at the time. Company securities are listed in stock market.

The management shall make a report of securities holding of him/herself, spouse, minor child as according to the regulations of S.E.C and Stock Market and shall also make a prompt report to Company for its record on the same day the said report is submitted to the authorities concerned;

Report of the first securities holding (Form 59-1) within 30 days after the closed date of public offering or the date of appointment in a managerial position.

Report of change of securities holding (Form 59-2), within 3 days after each sales, acquisition, transfer, or be transferred of securities.

Company has circulated the notice to all management that he/she is acquired to stop sales/acquisition of Company's securities prior to company announcement of its operation, or any materialized information, which may give effect to the change of securities' price. Especially on the balance sheet, a 45 days and 60 days are required after end of each quarter and end of each year.

The Company will use the maximum penalties if it is found that Executives use any inside information or behave in a manner to make a spoil of reputation and damage to Company.

5.13 Remuneration for the Auditor

According to the Section 120 of the Public Company Act B.E. 2535 and the Section 40 of the Principles of the Company, the Shareholders Meeting shall appoint an auditor and define the auditing remuneration every year. The Audit Committee shall initially consider the issue based on the experience, the competence, the quantity of work, the independence of the audit companies and the acceptance of the Securities Exchange Commission of Thailand. The auditing fees of several audit firms shall be compared as well. Then, the Audit Committee proposes the issue for the Board's consideration. The Board forwards it for the Shareholders' approval. The selected external auditor shall have no relationship or any transactions which might cause conflicts of interests with the Company, the directors and the executives.

In 2014, details of the audit fee and the other fees are listed as below:-

- **Audit fee**

In 2015, the Company and its Subsidiary paid the audit fee to KPMG Phumchai Audit Company Limited, Company's auditor, at amount of 1.70 million baht. The amount was divided into 1.30 million baht for Yuasa Battery (Thailand) PLC. and 0.4 million baht for the Subsidiary.

- **Non-audit fee**

The Company and its Subsidiary did not pay remuneration for any other services to the auditor or the audit company of the auditor. There was no any other incomplete service for the past accounting term.

10. Corporate Social Responsibility

1. Overview Policy and Operation of the Company

Yuasa Battery (Thailand) Public Company Limited (the Company) and its Subsidiary has business policy about Corporate Social Responsibility (CSR), the awareness and importance of supporting activities for social and the surrounding community including the concern of environment care continuously based on the principles of transparency, accountability, ethical business practices, responsibility to the consumers. Respect for human rights and interests of stakeholders, shareholders, employees, customers, suppliers, creditors brokerage, community surrounding the company, government agencies throughout the nation and society.

The company is committed to develop the automotive battery business with social responsibility and comply with legal or other requirements including relevant international practice in order to develop a foundation of accountability continuously and sustainability. The corporate social responsibility's policy is the following details:-

1.1 Corporate governance: The Company is committed to build the confidence to investors and stakeholders to the battery business for vehicle with the business philosophy of business ethics and the practice principles of transparency and reliability.

1.2 Respect for human rights: the Company focus on basic human rights to promote and respect for the rights and freedom with non-discrimination, promote equality, not being the sexist and racist, no child labor and anticorruption.

1.3 Fair treatment of the employees: The Company will ensure that the wages shall be at a appropriate level for the Company and in accordance with the level of employment in the industrial sector. Improving the structural changes and organizing the Company will be implemented under the framework of law by Thailand, including legal compliance.

The Company established a welfare committee to keep employees engaged in the administration of welfare as a mediator to assist in the welfare of employees and maintain employees' quality of work life which can perform effectively and happily, Further, provident fund was established to ensure the employees.

Company with a focus on the safety and health of work established of the Committee of Safety, Health and Environment in the factory to operate with safety and good health to employees by providing a safety inspection of a workplace regularly, such as installation of fire alarm building, fire extinguisher and emergency doors as well as provision of training courses on basic firefighting and fire evacuation every year. Moreover, at the factory, we would emphasize on regulations related to occupational health and safety strictly, create a good working environment that is safe for employees, contractors and visitors. The control measures have been done for everyone to save from accidents and hazards that may occur.

1.4 Protection of the environment: The Company has a clear environmental policy. It is considered as the guidelines strictly in line with laws and environmental standards. Company shall provide a system to eliminate environmental problem efficiently including the monitoring and checking of environment from operations to improve. The efficient usage of natural resources shall be promoted. And activities to reduce energy use and waste disposal shall be promoted with appropriate management based on 3R principles, reuse, reduce and recycle. The example of environmental management is the construction of the waste water treatment system of the Company to remove lead contaminated with waste water before waste water shall be flown out from the factory, and making a dust collector system from production process with the use of technology of wet scrubber etc.

1.5 Fairness of operation: The Company is committed to conduct business in a fair and ethical manner, to comply with the law, to respect for the rules of society and being the organizations that are politically neutral.

1.6 Relationship with the customers and the suppliers: the company focuses on the quality with security to make customer satisfaction, is sincere to handle customer complaints, as well as tries to improve the defects that might occur from the production and/or services. And the company is expected to receive the

same services and products from the suppliers. The Company focuses on to maintain the sustainable relationships with customers and suppliers.

1.7 Participation in development of the community: The Company supports and encourages employees to join with the project for the community, donation project, education project and project of volunteer work as the individual or a group to support the community.

2. Major Activities for Social and Environmental Responsibilities in 2015

2.1 Safety and hygiene in the workplace

The Company provided surrounding and hygiene in the workplace for safety in life and property. The Occupational Health, Safety and Environment Committee was established to take charge of auditing and improving the safety of the factory. The committee conducted meetings regularly every month. Besides, the Company supported the projects which promoted and stimulated the employees' concern on health and safety to reduce accidents at work. The Company teamed up with Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd., a business partner, to run the Completely Check Completely Find-out Activities (CCCF) twice a year, the safety activity on usage of the machines in the factory or TCC-Safety Activity (Toyota Corporation Club) and TCC-QA Improvement Activity to improve the quality. Furthermore, the Company continuously provided training courses to support safety, such as training on forklift driving, crane, firefighting, chemicals, lead poisoning and guidance to reduce risk from touching lead contamination. In 2015, the Company had 14 accident cases. No one passed away or was seriously injured.

2.2 Improvement of the community and the society

In 2014, the Company participated in several activities with the community, and supported local organizations' activities.

(1) Presentation of Children's Day gifts for the nearby Sai-Ngam Village

(2) Project for the Disabled

(3) Presentation of Mother's Day gifts for the community in Sai-Ngam Village and soi Yuasa

(4) Buddhist Lent candle offering for the nearby HongThong Temple

(5) Afforestation at Bangpoo Recreation Centre

(6) Cleaning the street to the factory with Bangpoo Municipality (Samutprakan)

2.3 Environmental care and protection

The Company recognizes that the battery business operation of the company might have the activities or processes that have an impact on the environment and the communities where Company operates. We believe that this is the responsibility of the Company to deal with these effects and find out the solutions effectively as possible. The Company commits to develop the role of the environment and to find out the best practices in developing the sustainable organizations by managing the environmental risks within the factory and reducing the energy consumption for preventing the environment, and promoting and encouraging the environmental awareness in the organization. In 2015, the Company has performed in many aspects as follows:-

(1) Movement of the remaining machines of Grid Section from old grid building to new grid building which was constructed since 2013 to facilitate for monitor, production management and control of more complete air treatment.

(2) Installation of 26 machines of cooling water system with recycled type at grid building to help reduce the volume usage of cooling water.

(3) Improvement of building area and floor of old grid building; Inside the building, there was the improvement of roof and ventilation system. Moreover, higher 30 centimeters of floor was improved to support the movement of Cutting Section, Brushing Section and Selection Section in 2016 and keeping the plate.

(4) Improvement of machine in the Lead Powder Section by installing the new machine and overhauling the machine to help extend the useful life and reduce the electric volume usage.

(5) Improvement of Formation Section, working area and ventilation system at the stated area to maintain the quality and working environment.

(6) Reduction of usage of paper and printing ink; the Company determined to reduce the purchase of paper and support reuse of paper. The employees were encouraged to communicate by e-mail and electronic scanned files. The Company also reduced usage of each department's printers and printing ink which negatively affected on the employees' health by providing the central printers.

11. Internal Control and Risk Management

The opinion of Board of Directors and Audit Committee

The Board of Directors paid attention on Company's internal control of several systems, including production, sales, operation, accounting & finance, procurement, information technology and audit systems. For prevention against the risks and the damage which might occur, transparent and traceable operation and support for compliance with the Company's policies and the relevant law, Audit Committee was assigned to audit and review the Company's internal control system. Audit Committee always gave the priority to the internal control system. The meeting was held at least once a month to monitor the Company's internal control system by reviewing the Accounting and Finance Department's report of operating results and the Internal Audit Department's report of auditing results. In the event that Audit Committee was reported or an unusual incident which significantly affected on the Company's operation occurred, Audit Committee proposed the countermeasures and quarterly reported the issues to the Board of Directors.

For the evaluation of the sufficiency of the Company's internal control system in 2015, Audit Committee used the significant issues reported by the Committee to the Board throughout 2015 and the progress of solving in pursuant to the suggestions made in 2014 as the data for the evaluation under COSO guidance. The COSO covered the issues about environmental control, risk assessment, activities control, information & communication and monitoring activities. At the Board of Directors' Meeting no. 1/2016 held on February 18th, 2016, the Board and the Committee mutually evaluated the sufficiency of the internal audit control of the Company and its Subsidiary. The Board of Directors had the same opinion with Audit Committee that the internal audit control was appropriate and sufficient for accurately making the Company's financial statements, sufficiently disclosing the data under the accounting standard and complying with the related law and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Nevertheless, in this year, Audit Committee followed up for the results of the Management's problem solving which were recommended by the Audit Committee in the preceding year and still paid attention on increasing the effectiveness of Company's database management together with overall risk management of organization. For this year, the Audit Committee's recommendations about the internal control system of 2015 were as follows:-

1. The Management should review the related working's regulations to be appropriate for present circumstance. If there was any traditional practice, it should be reviewed and made in writing, especially for employees' regulation for same understanding of all parties.
2. In 2015, the management developed several database system of Company as recommended by Audit Committee. However, in case that investment budget control system was still reviewed by manual system, the Company needed to improve the information technology system for more complete database in order to increase the effectiveness of internal control system.
3. The management should support for internal organization chart and chain of command together with job description to make the balance of power between departments in order to strengthen the internal control system.

Nowadays, the liberalization of AEC in ASEAN countries caused the Company to encounter with the situation that neighboring countries' manufacturers had lower cost of production to compete with domestic battery manufacturers. For this reason, the management should concentrate on cost reduction for both production and supporting departments so that Yuasa battery could compete with domestic and export markets.

Head of internal audit Department of the company.

The Internal Audit Department is under the supervision of Audit Committee. It takes charge of auditing the operating process of each department for evaluating the internal control system and giving suggestions. The auditing results were reported to Audit Committee and Chief Executive Officer.

For the annual auditing plan, the Internal Audit Department used the auditing principle based on the risk management approach. The COSO principles were used to evaluate the departments. The annual auditing plan was approved by Audit Committee.

The Company appointed Miss Darawan Suksawad as the Head of the Audit from April 3rd, 2006. She was appointed due to her experience in internal audit for more than 10 years. Also, she attended the training courses relating to internal auditing works such as preparation to become an international-licensed internal auditor, internal audit for internal auditors (COSO), internal audit under the risk basis and self-assessment for risk management. Audit Committee had an opinion that she was appropriate to perform such duties.

By the way, the consideration and approval of appointment, termination and relocation of the Head of the Audit must be made by Audit Committee.

Risk Management

For risk management of the preceding year, the Company specified that the management and employees from several departments should take the role and cooperate for risk management development of Company. The management would jointly have the weekly meeting to follow up the operation result and jointly have the monthly meeting with each department's executives to follow up the operation result. However, the above-mentioned risk management was derived from daily operation that Audit Committee was of opinion that Company should have Risk Management Committee to monitor for enterprise risk management. In addition, Corporate Governance Committee, one of the subcommittee, was established by the Board of directors' resolution. This committee meeting was firstly held in February 2016 and agreed with Audit Committee that Company should establish the Risk Management Committee to take charge of risk management in an inclusive aspect systematically and to provide the risk management's guidance for the whole company.

For year 2015, the Company had not established the Risk Management Committee to directly take charge of the risk management. Audit Committee realized that the possible risks inside and outside the Company would affect on the internal control system and operation of the Company. Therefore, Audit Committee always reported the summary of the significant issues which might affect on the Company's internal control system and operation. Then, the Management acknowledged them and used them as guidance for prevention against or reduction of the risks which might happen.

12. Related Transaction

The significant transactions made between the Company and the related persons.

1. Company and GS Yuasa International limited, Japan ("GYIN")

- Relation: GYIN is the Company's major shareholder, holding 40.69% share in Yuasa.

Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
	2014	2015		
-Agreement on borrowing the brand name "Yuasa" Company paid royalty in return for the borrowing. - Company's accrued expense	22.57 22.57	23.77 23.77	The fee is reasonable, fair and in line with the Agreement.	GYIN assisted in provision of training, shared production technology and allowed Company to use its trademark. Company paid the royalty in return to GYIN yearly. Training was provided for 60 days per year if exceeded, JPY40,000 was charged per day.
- Company bought batteries, materials, machines and spare parts. - Company sold batteries to GYIN. - Company's accrued expense - Company's accrued income - Assets payable - Service income	45.16 3.81 7.52 2.95 - 1.78	81.81 7.60 12.37 0.05 - 0.68	The trading prices were the market's rate.	The transactions were normal; no any trading agreement. A purchase order was made for each purchase. The price was not higher than offered to other customers.
- Interest amount for short-term loan at 235 million yen	0.54	-	The interest rate is reasonable and based on the market price.	Company borrowed JPY235m or 74.23 million baht from GYIN at LIBOR (12 months) + 1% per year. Now, the loan was paid to GYIN since August 8, 2014.

2. Transactions between Company and GS Yuasa Corporation or GYC

- Relation: GYC holds 100% share in GYIN, the Company's major shareholder.

Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
	2014	2015		
- Loan guarantee fee	0.003	-	At mutually agreed price	The transactions were normal; no any trading agreement

3. Other transactions between Company and its related companies

Company	Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
		2014	2015		
Yuasa Battery (Malaysia)	- Company sold batteries. - Company's accrued income	43.07 1.62	41.98 10.19	The trading prices were the market's rate.	The transactions were normal; no any trading agreement
Taiwan Yuasa Battery	- Company's income from brokerage - Company's accrued income	1.37 0.42	1.47 0.30	The trading prices were the market's rate.	The transactions were normal; no any trading agreement

Company	Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
		2014	2015		
Siam GS battery Co.,Ltd.	- Company sold batteries. - Company's accrued income	- -	11.00 2.25	The trading prices were the market's rate.	The transactions were normal; no any trading agreement
GS Yuasa Siam Industry Co.,Ltd.	- Company hired to make lead powder - Company's accrued expense	- -	2.82 -	The trading prices were the market's rate.	The transactions were normal; no any trading agreement

4. Transactions between Yuasa Sales and Distribution Co., Ltd. (Subsidiary) and Siam GS Battery Co., Ltd. (SGS)

- Relation: GYIN is the major shareholder of the Company and SGS, holding 40.69% and 60% share respectively.

Company	Amount (Million Baht)		Price , Fee and Others	Remark
	2014	2015		
The Subsidiary purchased batteries from SGS.	12.60	-	The trading prices were in the market's rate.	The transactions were normal. The purchase orders were placed occasionally. The prices for purchasing the products from SGS were not higher than those purchased from the Company.

13. Summary of Financial Data

The Company's Operation (Unit: Million Baht)

	Y2011	Y2012	Y2013	Y2014	Y2015
Income from sale	1,870.09	1,891.17	1,735.10	1,668.27	1,754.04
Total revenues	1,943.53	1,936.04	1,762.05	1,679.80	1,762.59
Cost of sales	1,550.67	1,559.29	1,442.83	1,393.54	1,423.59
Gain on reversed impairment loss	31.40	-	-	-	-
Selling and administrative expenses	317.84	312.76	299.84	291.45	287.94
Profit before Finance cost and income tax	106.42	63.99	19.38	(5.20)	51.06
Interest expenses	15.74	10.59	5.33	5.64	4.55
Income tax	-	(4.49)	1.34	1.78	(2.57)
Net profit	90.68	48.91	15.38	(9.05)	43.94
Total assets	1,082.56	945.64	925.00	873.39	894.89
Total liabilities	788.80	606.97	572.34	542.69	519.64
Total shareholders' equity	293.76	342.67	352.67	330.71	375.25

Basic Data Per Share (Unit: Baht)

	Y2011	Y2012	Y2013	Y2014	Y2015
Basic earnings per share	0.84	0.50	0.14	(0.08)	0.41
Weight average number of shares (Thousand shares)	107,625	107,625	107,625	107,625	107,625
Ordinary share as of the end of period (Thousand shares)	107,625	107,625	107,625	107,625	107,625
Book value per share	2.65	3.18	3.28	3.07	3.49
Par Value	1.00	1.00	1.00	1.00	1.00
Marketing Price	4.90	10.60	7.00	5.80	6.55
Dividend per share	0.00	0.05	0.03	0.00	0.08

Financial Ratio

	Y2011	Y2012	Y2013	Y2014	Y2015
Net profit margin (%)	4.67	2.76	0.80	(0.53)	2.49
Return on total assets (%)	8.69	5.26	1.50	(1.00)	4.97
Return on equity (%)	37.89	16.78	4.04	(2.59)	12.45
Announced dividend ratio on profit for the year (%)	-	34.88	20.93	N/A	19.59
Dividend payout ratio on profit for the year (%)	-	34.88	N/A	N/A	N/A
Return on revenue from sales (%)	4.85	2.82	0.81	(0.54)	2.50
EBITDA on total assets (%)	(2.68)	12.92	2.62	4.36	1.51
Debt to equity ratio(Times)	2.69	1.77	1.62	1.55	1.38
Price earnings ratio (Times)	5.83	23.55	50.00	(72.50)	15.97
Average debt collection period	47	41	43	42	43
Average debt payment period	79	73	80	82	65

14. Management Discussion and Analysis

Financial Position

Total Assets

The Company and its subsidiary had the total assets of 894.89 million baht as at December 31st, 2015, rose by 21.49 million baht or 2.46 percent from 2014. This was because the account receivables increased by 21.47 million baht; other account receivables at amount of 1.65 million baht; the inventory at amount of 14.12 million baht; and the property, plant and equipment at net amount of 6.63 million baht. While cash and cash equivalents declined by 20.59 million baht. For the decrease of the cash and the cash equivalents at the end of 2015 mainly derived from repayment of short-term loan to the financial institutions at amount of 40 million baht and payment of investing in improvement of building, equipment, machine and internal environment prolonging from 2013 after the sales of assets and relocation of the Gateway Plant to Bangpoo Plant. For the increase of account receivables, it was derived from higher domestic sales whereas the increase of inventory came from the higher raw material at amount of 29.62 million baht, due to the reserve of raw material for adequate production in accordance with the increased sales.

Total Liabilities

The Company had the total liabilities of 519.64 million baht as at December 31st, 2015, declined by 23.04 million baht or 4.25 percent from the previous year. The reason of the decline was derived from repayment of short-term loan to the financial institutions at amount of 40 million baht. While account receivables and other account payables of 2015, totally 369.17 million baht was rose by 14.29 million baht from the previous year due to the number of purchase order of raw material for production, sales promotion and increased creditor of Revenue Department at amount of 2.24 million baht which was set the reserve for payment of income tax from profit in 2015.

Shareholders' Equity

As at December 31st, 2015, the Company had the Shareholders' Equity of 375.25 million baht, rose by 44.54 million baht or 177.42 percent compared with the previous year. The reason came from net profit after deducting corporate income tax of Company in 2015.

Cash Flow

At the end of the 2015 accounting period, the Company had net cash from operation activities was 69.96 million baht, up to 25.90 million baht compared with the previous year. The reasons came from (1) the increase of account receivables at amount of 21.22 million baht from the increased sales of replacement market; (2) the increase of inventory at amount of 17.14 million baht due to the increase of purchasing the raw material for adequate production in accordance with the increased sales; (3) the profit from operation of 2015 at amount of 44.54 million baht which increased from 2014 that the Company got net loss only amount of 9.05 million baht while (1) the increase of account payables and other creditors at amount of 8.65 million baht because of purchasing the raw material and sales promotion, and (2) the decrease of commitment of employees' benefit at amount of 5.73 million baht from paying the compensation and retirement of employees.

For cash from investment activities at amount of 45.85 million baht, it was spent for purchasing the fixed assets and intangible assets at amount of 46.67 million baht while we got money from sales of fixed assets at amount of 0.62 million baht. When comparing with 2014, the cash usage from investment activities decreased by 25.77 million baht. The main reason came from the decreased investment of fixed assets and intangible assets.

For cash from financing activities at amount of 44.70 million baht, the Company paid for the short-term loan to the financial institutions at amount of 40 million baht with the interest from the short-term loan was at amount of 4.70 million baht. The activity was increased at amount of 16.20 million baht compared with 2014 because the Company repaid the short-term loan to the concerned company at amount of 74.23 million baht. The payment of short-term and long-term loans to the financial institutions at amount of 55 million baht and payment of interest loan at amount of 6.04 million baht and dividend at amount of 3.23 million baht

respectively. Meanwhile, the Company increased the short-term borrowing from the financial institutions at amount of 110 million baht. The loan was spent for purchasing the fixed assets and intangible assets, including with the cash flow for operation and some of money was repaid to the concerned company for short-term loan.

Business Results

In 2015, the Company and its subsidiary had the total income of 1,754.04 million baht, increased from 2014 at amount of 85.77 million baht or 5.14 percent due to the increase of sales from replacement market and the Company gained from foreign exchange rate at amount of 3.90 million baht, decreased from 2014 at amount of 1.47 million baht from the fluctuation of foreign currency. There was also other income at amount of 4.65 million baht, decreased from 2014 at amount of 1.52 million baht from the decrease of revenue of selling the assets and service.

The cost of goods sold; the Company had the cost of goods sold at amount of 1,423.59 million baht or 81.16 percent of total income. The cost of goods sold decreased from the previous year by 2.37 percent because the decreased of production cost from the decrease of lead price which was the main raw material and improvement of Company's productivity.

For the prices of pure lead from London Metal Exchange (LME), was the main raw material of battery production. In 2015, the average price of lead was at USD 1,785/ton, declined by USD 308/ton or 17 percent from USD 2,094/ton of 2014. The lead prices during 2015 fluctuated between USD 1,680-1,945/ton. The average price in the first half of 2015 was at USD 1,805/ton, declined from 2014. The average price in the second quarter was adjusted to be higher and it was the highest price in that period at USD 1,945/ton. After the second half of the year, the price was adjusted to be lower continuously even some months were adjusted to be higher. However, the average price in the third and fourth quarters were at USD 1,711/ton and USD 1,680/ton respectively. This situation led to lower production cost of Company compared with the previous year.

In 2015, total selling and administrative expenses were at amount of 287.93 million baht or 16.42 percent of the total income, declined by 3.52 million baht or 1.21 percent from 2014. The decrease came from lower expense of employees' benefit while higher selling expenses from excise tax and royalty fee due to higher sales.

In 2015, the interest payment at amount of 4.55 million baht, decreased from the previous year by 1.08 million baht or 19.21 percent. It was the result of repayment of the short-term loan to the financial institutions at amount of 40 million baht which led to lower interest expense

In conclusion, the Company and its subsidiary had the net comprehensive profit of 44.54 million baht or net profit of 0.41 baht per share in 2015.

Financial Ratio

The ratio of current capital in 2015 was 1.20 times, rose from the previous year. The current assets increased by 16.65 million bath and the current liabilities decreased by 23.47 million baht. The decrease in the current assets came from the decrease of cash and cash equivalents at amount of 20.59 million baht, the repayment of short-term loan at amount of 40 million baht and the purchases and improvement of machine and equipment as well as improvement of the building and the internal environment at amount of 6.63 million baht. Whereas the account receivables, other debtors and inventory increased by 21.47 million baht, 1.65 million baht and 14.42 million baht respectively. The current liabilities reduced came from the repayment of the short-term loan to the financial institutions as stated.

The account receivable turnover in 2015 was 8.39 times approximately. The average period of collecting debt was around 43 days, slightly increased from the previous year of 42 days. The period of debt repayment was around 65 days, slightly decreased from the previous year of 68 days.

The gross profit ratio of 2015 was 18.84 percent, rose from 2014. The main reason was from lower production cost from lead price which was the raw material decreased and improvement of Company's productivity.

In 2015, the ratio of liabilities per shareholders' equity was 1.38 times, decreased from as of 31 December 2014 of 1.64 times, due to the lower liabilities. However, the shareholders' equity increased from in 2015.

Furthermore, as the net profit increased, the performance to repay the debt in 2015, considered based on the ratio of performance to pay the interest, increased to 10.78 times compared with the previous year of 0.61 times. And the ratio of performance to repay the liabilities in 2015 was 0.36 times, increased from 2014 of 0.03 times.

For dividend payment, according to the 2015 Shareholders' Meeting which was held on April 10th, 2015, the meeting had the resolution and approval not to pay the dividend from performance of 2014 because of getting net loss. For the dividend payment in 2016, Board of Directors' Meeting no. 1/2016 which was held on 18 February 2016 had a resolution to propose to Shareholders' Meeting in 2016 to pay the dividend to the shareholders for the performance of 2015 for 107,625,000 shares at 0.08 baht per share, totally 8.61 million baht.

15. Board of Director's Responsibility for Financial Report

The Board of Directors of YUASA BATTERY (THAILAND) PUBLIC COMAPANY LIMITED has prepared the financial statements which discloses the Company's 2015 financial status and operation results according to the regulations of the Public Company Limited Act B.E. 2535

Recognizing its responsibility to ensure good corporate governance, the Board of Directors of YUASA BATTERY (THAILAND) PUBLIC COMAPANY LIMITED has ensured that the financial statements and financial information contained in this annual report are accurate, complete, and adequate. In our view, the financial statements comply with the generally accepted accounting practices in Thailand, chosen for their consistency, practicality, and due discretion. To further foster confidence in the use of these financial statements, the Board has maintained an effective internal control process. To prevent fraud and irregularities, the Board ensures systematic care of Company's properties. An adequate and suitable risk management system is also in place. As for connected transactions with potential conflicts of interest, the Board ensures that these transactions are regular and fair logical business practices undertaken in the best interests of company, and that they comply with relevant laws, rules, and regulations.

Therefore, Company's internal control process for the year has proved acceptable and we are reasonably confident that the financial statements as of December 31st, 2015 are credible. Besides, according to our external auditor, the statement reflecting company financial standing, performance, and cash flow are essentially accurate and consistent with generally accepted accounting principles.

Pornchak Manutham
Director of the Board

Ichiro Murata
Director of the Board

16. Financial Statements

Independent Auditor's Report

To the shareholders of Yuasa Battery (Thailand) Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Yuasa Battery (Thailand) Public Company Limited and its subsidiary (the "Group"), and of Yuasa Battery (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

16. Financial Statements

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 4 to the financial statements describing the effects of the retrospective adjustment for the correction of errors regarding to the understatement of employee benefit obligations. The corresponding figures presented are based on the audited consolidated and separate financial statements as at and for the year ended 31 December 2014, which were audited by another auditor who expressed an unmodified opinion on those statements on 23 February 2015, after making the adjustments described in note 4. As part of my audit, I have audited the adjustments described in note 4 that were applied to restate the corresponding figures. In my opinion, such adjustments are appropriate and have been properly applied.

(Sakda Kaothanthong)
Certified Public Accountant
Registration No. 4628

KPMG Phoomchai Audit Ltd.
Bangkok
18 February 2016

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements			Separate financial statements		
Assets	*Note*	31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated)	31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated)
				(in Baht)			
Current assets							
Cash and cash equivalents	*7*	32,506,546	53,094,192	109,148,474	26,410,544	38,019,856	89,147,642
Trade accounts receivable	*6, 8*	219,697,444	198,231,459	194,384,320	306,226,686	305,451,139	294,373,272
Other receivables	*6*	8,681,109	7,032,119	17,757,750	8,650,197	6,981,127	17,760,314
Inventories	*9*	291,974,428	277,856,195	311,468,655	279,928,434	265,847,314	298,300,316
Total current assets		**552,859,527**	**536,213,965**	**632,759,199**	**621,215,861**	**616,299,436**	**699,581,544**
Non-current assets							
Investment in subsidiary	*10*	-	-	-	-	-	-
Investment property	*11*	2,691,677	-	-	-	-	-
Property, plant and equipment	*12*	317,521,666	313,582,374	273,077,020	316,834,480	310,170,065	269,753,807
Intangible assets		5,479,051	6,046,770	2,466,507	2,627,967	2,438,551	2,289,298
Deferred tax assets	*13*	8,848,520	9,273,772	7,492,456	9,048,500	9,473,752	7,692,436
Other non-current assets		7,487,076	8,277,297	10,736,830	7,487,076	8,277,297	10,736,829
Total non-current assets		**342,027,990**	**337,180,213**	**293,772,813**	**335,998,023**	**330,359,665**	**290,472,370**
Total assets		**894,887,517**	**873,394,178**	**926,532,012**	**957,213,884**	**946,659,101**	**990,053,914**

The accompanying notes are an integral part of these financial statements.

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements			Separate financial statements		
Liabilities and equity	*Note*	31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated)	31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated)
				(in Baht)			
Current liabilities							
Short-term loans from financial institution	*14*	90,000,000	130,000,000	70,000,000	90,000,000	130,000,000	70,000,000
Trade accounts payable	*6, 15*	259,696,294	253,224,917	275,577,758	259,696,294	253,224,917	275,577,758
Other payables	*6, 16*	109,476,608	101,659,503	104,595,708	83,380,413	79,100,614	82,844,443
Current portion of long-term loans from financial institutions	*14*	-	-	5,000,000	-	-	5,000,000
Short-term loans from related party	*6*	-	-	74,229,215	-	-	74,229,215
Income tax payable		2,240,744	-	-	2,240,744	-	-
Total current liabilities		**461,413,646**	**484,884,420**	**529,402,681**	**435,317,451**	**462,325,531**	**507,651,416**
Non-current liability							
Employee benefit obligations	*17*	58,228,759	57,800,806	54,141,581	50,077,510	50,876,609	48,169,374
Total non-current liability		**58,228,759**	**57,800,806**	**54,141,581**	**50,077,510**	**50,876,609**	**48,169,374**
Total liabilities		**519,642,405**	**542,685,226**	**583,544,262**	**485,394,961**	**513,202,140**	**555,820,790**
Equity							
Share capital:	*18*						
Authorised share capital		107,625,000	107,625,000	107,625,000	107,625,000	107,625,000	107,625,000
Issued and paid-up share capital		107,625,000	107,625,000	107,625,000	107,625,000	107,625,000	107,625,000
Additional paid in capital:							
Premium on ordinary shares	*18*	171,075,000	171,075,000	171,075,000	171,075,000	171,075,000	171,075,000
Retained earnings							
Appropriated							
Legal reserve	*19*	26,906,250	26,906,250	26,906,250	26,906,250	26,906,250	26,906,250
Unappropriated		69,638,862	25,102,702	37,381,500	166,212,673	127,850,711	128,626,874
Total equity		**375,245,112**	**330,708,952**	**342,987,750**	**471,818,923**	**433,456,961**	**434,233,124**
Total liabilities and equity		**894,887,517**	**873,394,178**	**926,532,012**	**957,213,884**	**946,659,101**	**990,053,914**

The accompanying notes are an integral part of these financial statements.

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income

	Note	Consolidated financial statements For the year ended 31 December 2015	2014 (Restated)	Separate financial statements For the year ended 31 December 2015	2014 (Restated)
			(in Baht)		
Revenue from sale of goods and rendering of services	20	1,754,044,953	1,668,272,503	1,706,670,181	1,617,726,591
Cost of sale of goods and rendering of services	9, 22	(1,423,592,473)	(1,393,543,848)	(1,431,465,662)	(1,384,073,712)
Gross profit		**330,452,480**	**274,728,655**	**275,204,519**	**233,652,879**
Net gain on foreign exchange and derivatives		3,897,067	5,362,970	3,897,067	5,362,970
Other income		4,648,590	6,164,217	6,015,992	6,861,949
Selling expenses	22	(214,946,248)	(213,011,142)	(181,622,464)	(176,694,588)
Administrative expenses	22	(72,988,322)	(78,440,717)	(58,783,772)	(62,876,592)
Finance costs		(4,552,965)	(5,635,398)	(4,543,132)	(5,635,398)
Profit (loss) before income tax (expense) benefit		**46,510,602**	**(10,831,415)**	**40,168,210**	**671,220**
Income tax (expense) benefit	23	(2,566,222)	1,781,316	(2,566,222)	1,781,316
Profit (loss) for the year		**43,944,380**	**(9,050,099)**	**37,601,988**	**2,452,536**
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Defined benefit plan actuarial gains	17	781,774	-	949,968	-
Income tax on other comprehensive income		(189,994)	-	(189,994)	-
Other comprehensive income for the year, net of income tax		**591,780**	-	**759,974**	-
Total comprehensive income for the year		**44,536,160**	**(9,050,099)**	**38,361,962**	**2,452,536**
Profit (loss) attributable to:					
Owners of the Company		43,944,380	(9,050,099)	37,601,988	2,452,536
Non-controlling interests		-	-	-	-
Profit (loss) for the year		**43,944,380**	**(9,050,099)**	**37,601,988**	**2,452,536**
Total comprehensive income attributable to:					
Owners of the Company		44,536,160	(9,050,099)	38,361,962	2,452,536
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		**44,536,160**	**(9,050,099)**	**38,361,962**	**2,452,536**
Basic earnings (loss) per share	24	**0.41**	**(0.08)**	**0.35**	**0.02**

The accompanying notes are an integral part of these financial statements.

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

		Consolidated financial statements				
		Issued and		Retained earnings		
		paid-up	Share	Legal		Total
	Note	share capital	premium	reserve	Unappropriated	equity
				(in Baht)		
Year ended 31 December 2014						
Balance at 1 January 2014 - as reported		**107,625,000**	**171,075,000**	**26,906,250**	**47,066,100**	**352,672,350**
Cumulative effects of corrections of errors	*4*	-	-	-	(9,684,600)	(9,684,600)
Balance at 1 January 2014 - restated		**107,625,000**	**171,075,000**	**26,906,250**	**37,381,500**	**342,987,750**
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends to owners of the Company	*25*	-	-	-	(3,228,699)	(3,228,699)
Total distributions to owners of the Company		-	-	-	**(3,228,699)**	**(3,228,699)**
Comprehensive income for the year						
Loss		-	-	-	(9,050,099)	(9,050,099)
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	**(9,050,099)**	**(9,050,099)**
Balance at 31 December 2014		**107,625,000**	**171,075,000**	**26,906,250**	**25,102,702**	**330,708,952**

		Consolidated financial statements				
		Issued and		Retained earnings		
		paid-up	Share	Legal		Total
	Note	share capital	premium	reserve	Unappropriated	equity
				(in Baht)		
Year ended 31 December 2015						
Balance at 1 January 2015 - as reported		**107,625,000**	**171,075,000**	**26,906,250**	**36,363,432**	**341,969,682**
Cumulative effects of corrections of errors	*4*	-	-	-	(11,260,730)	(11,260,730)
Balance at 1 January 2015 - restated		**107,625,000**	**171,075,000**	**26,906,250**	**25,102,702**	**330,708,952**
Comprehensive income for the year						
Profit		-	-	-	43,944,380	43,944,380
Other comprehensive income		-	-	-	591,780	591,780
Total comprehensive income for the year		-	-	-	**44,536,160**	**44,536,160**
Balance at 31 December 2015		**107,625,000**	**171,075,000**	**26,906,250**	**69,638,862**	**375,245,112**

The accompanying notes are an integral part of these financial statements.

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

		Separate financial statements				
		Issued and		Retained earnings		
		paid-up	Share	Legal		Total
	Note	share capital	premium	reserve	Unappropriated	equity
				(in Baht)		
Year ended 31 December 2014						
Balance at 1 January 2014 - as reported		**107,625,000**	**171,075,000**	**26,906,250**	**134,716,106**	**440,322,356**
Cumulative effects of corrections of errors	*4*	-	-	-	(6,089,232)	(6,089,232)
Balance at 1 January 2014 - restated		**107,625,000**	**171,075,000**	**26,906,250**	**128,626,874**	**434,233,124**
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends to owners of the Company	*25*	-	-	-	(3,228,699)	(3,228,699)
Total distributions to owners of the Company		-	-	-	**(3,228,699)**	**(3,228,699)**
Comprehensive income for the year						
Profit		-	-	-	2,452,536	2,452,536
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	**2,452,536**	**2,452,536**
Balance at 31 December 2014		**107,625,000**	**171,075,000**	**26,906,250**	**127,850,711**	**433,456,961**

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

		Separate financial statements				
		Issued and		Retained earnings		
		paid-up	Share	Legal		Total
	Note	share capital	premium	reserve	Unappropriated	equity
				(in Baht)		
Year ended 31 December 2015						
Balance at 1 January 2015 - as reported		**107,625,000**	**171,075,000**	**26,906,250**	**135,017,593**	**440,623,843**
Cumulative effects of corrections of errors	*4*	-	-	-	(7,166,882)	(7,166,882)
Balance at 1 January 2015 - restated		**107,625,000**	**171,075,000**	**26,906,250**	**127,850,711**	**433,456,961**
Comprehensive income for the year						
Profit		-	-	-	37,601,988	37,601,988
Other comprehensive income		-	-	-	759,974	759,974
Total comprehensive income for the year		-	-	-	**38,361,962**	**38,361,962**
Balance at 31 December 2015		**107,625,000**	**171,075,000**	**26,906,250**	**166,212,673**	**471,818,923**

The accompanying notes are an integral part of these financial statements.

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows

	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2015	2014 (Restated)	2015	2014 (Restated)
	(in Baht)			
Cash flows from operating activities				
Profit (loss) for the year	43,944,380	(9,050,099)	37,601,988	2,452,536
Adjustments for				
Depreciation	35,654,692	31,158,763	35,299,820	30,765,159
Amortisation of intangible assets	1,838,031	1,470,257	797,547	1,214,717
Finance costs	4,552,965	5,635,398	4,543,132	5,635,398
Unrealised loss (gain) on exchange rate and derivatives	147,035	(414,258)	147,035	(414,258)
Allowance for doubtful debts (reversal)	(12,463)	1,101,091	(1,963)	(6,000)
Allowance for declining in value of inventories (reversal)	3,023,150	(1,822,590)	2,977,084	(1,457,493)
Write-off of withholding income tax	2,934	-	-	-
Gain on disposal of property, plant and equipment	(402,181)	(595,506)	(28,353)	(352,516)
Write-off of intangible assets	38,291	-	38,291	-
Employee benefit obligations	6,912,781	7,128,406	5,844,598	6,165,266
Income tax expense (benefit)	2,566,222	(1,781,316)	2,566,222	(1,781,316)
	98,265,837	32,830,146	89,785,401	42,221,493
Changes in operating assets and liabilities				
Trade accounts receivable	(21,217,847)	(4,860,957)	(537,909)	(10,984,594)
Other receivables	(722,043)	10,727,654	(739,503)	10,781,212
Inventories	(17,141,383)	35,435,050	(17,058,204)	33,910,495
Other non-current assets	143,081	2,355,057	143,081	2,354,673
Trade accounts payable	5,213,216	(24,739,018)	5,213,216	(24,739,018)
Other payables	10,565,747	(4,320,863)	7,233,186	(5,128,488)
Employee benefit obligations	(5,703,054)	(3,469,181)	(5,693,729)	(3,458,031)
Cash generated from operating activities	69,403,554	43,957,888	78,345,539	44,957,742
Withholding income tax paid	(90,534)	(99,023)	(90,220)	(98,640)
Income tax received	647,140	203,499	647,140	203,499
Net cash from operating activities	**69,960,160**	**44,062,364**	**78,902,459**	**45,062,601**

The accompanying notes are an integral part of these financial statements.

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows

	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2015	2014 (Restated)	2015	2014 (Restated)
	(in Baht)			
Cash flows from investing activities				
Purchase of property, plant and equipment	(45,165,330)	(67,461,089)	(45,048,645)	(66,978,390)
Sale of property, plant and equipment	621,018	746,286	247,186	503,296
Purchase of intangible assets	(1,305,803)	(4,901,608)	(1,022,454)	(1,215,058)
Net cash used in investing activities	**(45,850,115)**	**(71,616,411)**	**(45,823,913)**	**(67,690,152)**
Cash flows from financing activities				
Interest paid	(4,697,691)	(6,042,321)	(4,687,858)	(6,042,321)
Dividend paid	-	(3,228,699)	-	(3,228,699)
Proceeds from borrowings	-	110,000,000	-	110,000,000
Repayment of borrowings	(40,000,000)	(129,229,215)	(40,000,000)	(129,229,215)
Net cash used in financing activities	**(44,697,691)**	**(28,500,235)**	**(44,687,858)**	**(28,500,235)**
Net decrease in cash and cash equivalents	**(20,587,646)**	**(56,054,282)**	**(11,609,312)**	**(51,127,786)**
Cash and cash equivalents at 1 January	53,094,192	109,148,474	38,019,856	89,147,642
Cash and cash equivalents at 31 December	**32,506,546**	**53,094,192**	**26,410,544**	**38,019,856**
Non-cash transactions				
Payables for purchase of property, plant and equipment	3,859,393	6,520,225	3,654,648	6,520,225
Payables for purchase of intangible assets	2,800	-	2,800	-

The accompanying notes are an integral part of these financial statements.

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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Yuasa Battery (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 18 February 2016.

1 General information

Yuasa Battery (Thailand) Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at No. 164, Moo 5, Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muangsamutprakan, Samutprakan.

The Company was listed on the Market for Alternative Investment (MAI) on 21 November 1994.

The Company's major shareholders during the financial year were GS Yuasa International Ltd. (40.69% shareholding) which was incorporated in Japan and Metropolitan Motor Service Co., Ltd. (19.13% shareholding) which was incorporated in Thailand.

The principal activities of the Group are the manufacturing and distributing of batteries for automobiles and motorcycles.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 30.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Item	*Measurement bases*
Derivative financial instruments	Fair value
Net defined benefit liabilities	Present value of the defined benefit obligation, limited as explained in note 5 (n)

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 5 (s)	Current and deferred taxation
Note 13	Utilisation of tax losses
Note 17	Measurement of defined benefit obligations
Note 26	Valuation of financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

The Group recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11 – investment property; and
- Note 26 – financial instruments.

3 The adoption of new accounting standards

From 1 January 2015, consequent to the adoption of new TFRS as set out in note 2, the Group has adopted TFRS 13 Fair Value Measurement having a material effect on the Group's financial statements.

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs.

In accordance with the transitional provisions of TFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures.

4 Correction of errors

Certain of the Group's obligations in respect of employee benefits were not correctly accounted for in prior years. The Group has corrected this error and adjusted for the effects retrospectively in the financial statements. The adjustments were as follows:

	Consolidated financial statements		Separate financial statements	
Statement of financial position as at	31 December 2014	1 January 2014	31 December 2014	1 January 2014
	(in thousand Baht)			
Increase in deferred tax asset	1,792	1,522	1,792	1,522
Increase in employee benefit obligations	(13,053)	(11,207)	(8,959)	(7,611)
Decrease in unappropriated retained earnings	(11,261)	(9,685)	(7,167)	(6,089)

	Consolidated financial statements	Separate financial statements
Statement of comprehensive income for the year ended 31 December 2014	*(in thousand Baht)*	
Increase in cost of sales of goods	336	336
Increase in selling expenses	691	377
Increase in administrative expenses	818	634
Increase in loss before income tax	**1,845**	**1,347**
Increase in income tax benefit	(269)	(269)
Increase in loss for the year	**1,576**	**1,078**
Increase in loss per share (*in Baht*)	**0.0146**	**0.0100**

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the "Group").

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price at the reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

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Notes to the financial statements

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of raw materials is calculated using standard cost adjusted to approximate average cost, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in subsidiary

Investments in subsidiary in the separate financial statements of the Company are accounted for using the cost method.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to carrying value of the total holding of the investment.

(h) Investment property

Investment property is property which is held for capital appreciation, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment property	20	years

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(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Building and constructions	33	years
Machinery and equipment	10 - 15	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years

No depreciation is provided on freehold land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Intangible assets

Computer software

Computer software that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

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Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	5	years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at cost.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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Notes to the financial statements

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs comprise interest expense on borrowings that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

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(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

(u) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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Notes to the financial statements

6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiary are described in note 10. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Yuasa Sales and Distribution Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding
GS Yuasa International Ltd.	Japan	A major shareholder, 40.69% shareholding
Metropolitan Motor Service Co., Ltd.	Thailand	A major shareholder, 19.13% shareholding
Manutham Mansion and Development Co., Ltd.	Thailand	Common director
Fuji Merchantiles Co., Ltd.	Thailand	Common director and shareholder
GS Yuasa Corporation	Japan	Ultimate parent company
Yuasa Battery (Malaysia) Sdn Bhd.	Malaysia	Common ultimate parent company
GS Yuasa Battery (Singapore) Pte. Ltd.	Singapore	Common ultimate parent company
PT. Yuasa Battery Indonesia	Indonesia	Common ultimate parent company
Tata Autocomp GY Battery Private Ltd.	India	Common ultimate parent company
GS Yuasa Power Supply Ltd.	Japan	Common ultimate parent company
GS Yuasa Siam Industry Co., Ltd.	Thailand	Common ultimate parent company
Taiwan Yuasa Battery Co., Ltd.	Taiwan	Common ultimate parent company
GS Battery Vietnam Co., Ltd.	Vietnam	Common ultimate parent company
Siam GS Sales Co., Ltd.	Thailand	Common ultimate parent company
Estate of POL.LT.Chan Manuthumma	Thailand	Estate of group of major shareholder
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from sale of goods	Market price
Commission income	At agreed price/ as memorandum
Rental income	At agreed price/ as memorandum
Service income	At agreed price/ as memorandum
Purchase of raw materials and goods	Market price
Purchase of equipment	Market price
Service and other expenses	At agreed price/ as memorandum
Royalty expense	Contract price
Interest expense	Contract price
Sub-contract lead powder	Contract price

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Significant transactions for the years ended 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2015	2014	2015	2014
	(in thousand Baht)			
Subsidiary				
Revenue from sale of goods	-	-	731,163	626,877
Rental income	-	-	881	881
Service income	-	-	972	965
Other related parties				
Revenue from sale of goods	60,580	46,876	60,580	46,876
Purchase of raw materials and goods	81,185	54,880	81,185	42,280
Commission income	1,472	1,367	1,472	1,367
Purchase of equipment	629	2,885	629	2,885
Service and other expenses	683	1,787	683	1,787
Royalty expense	23,772	22,574	23,772	22,574
Interest expense	-	542	-	542
Sub-contract lead powder	-	2,818	-	2,818
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	17,212	22,340	15,575	20,058
Post-employment benefit	642	354	530	318
Total key management personnel compensation	**17,854**	**22,694**	**16,105**	**20,376**

Balances as at 31 December with related parties were as follows:

Trade accounts receivable from related parties	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Subsidiary				
Yuasa Sales and Distribution Co., Ltd.	-	-	208,759	209,637
Other related parties				
Yuasa Battery (Malaysia) Sdn Bhd.	10,187	1,623	10,187	1,623
Siam GS Sales Co., Ltd.	2,252	-	2,252	-
GS Yuasa International Ltd.	50	2,947	50	2,947
Total	**12,489**	**4,570**	**221,248**	**214,207**

Other receivables from related parties	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Subsidiary				
Yuasa Sales and Distribution Co., Ltd.	-	-	279	264
Other related party				
Taiwan Yuasa Battery Co., Ltd.	301	423	301	423
Total	**301**	**423**	**580**	**687**

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Trade accounts payable to related party	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Other related party				
GS Yuasa International Ltd.	**12,366**	**7,520**	**12,366**	**7,520**

Other payables to related parties	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Accrued royalty expense				
Other related party				
GS Yuasa International Ltd.	23,772	22,574	23,772	22,574
Accrued management benefit expense				
Other related party				
Estate of POL.LT.Chan Manuthumma	16,000	16,000	12,000	12,000
Total	**39,772**	**38,574**	**35,772**	**34,574**

Movements during the years ended 31 December of short-term loans from related party were as follows:

Short-term loans from related party	Consolidated financial statements	Separate financial statements
	2014	2014
	(in thousand Baht)	
Parent		
At 1 January	74,229	74,229
Decrease	(74,229)	(74,229)
At 31 December	**-**	**-**

The Company had short-term loans from GS Yuasa International Ltd. at the interest rate of LIBOR +1% per annum of which the Company already paid in full amount since 8 August 2014.

Significant agreement with related party

Technical Assistance Agreements

On 1 January 2009, the Company entered into technical assistance agreements with GS Yuasa International Ltd. whereby the latter agreed to grant the Company the rights to use technical know-how and expertise related to manufacturing of automotive and motorcycle batteries as well as to use trademarks owned by GS Yuasa Corporation. The Company is committed to pay royalty fee at the rates as specified in the agreements. These agreements shall remain effective for 5 years and will be automatically renewed for another one year each unless terminated by either party giving notice in writing at least 90 days before the expiration of the agreements.

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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Cash on hand	127	175	33	105
Cash at banks - current accounts	86	95	58	57
Cash at banks - savings accounts	32,128	52,748	26,320	37,858
Cheques on hand	166	76	-	-
Total	**32,507**	**53,094**	**26,411**	**38,020**

The currency denomination of cash and cash equivalents as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Thai Baht (THB)	31,004	53,094	24,908	38,020
United States Dollars (USD)	1,503	-	1,503	-
Total	**32,507**	**53,094**	**26,411**	**38,020**

8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		(in thousand Baht)			
Related parties	*6*	12,489	4,570	221,248	214,207
Other parties		222,028	219,367	85,430	91,736
Total		**234,517**	**223,937**	**306,678**	**305,943**
Less allowance for doubtful accounts		(14,820)	(25,706)	(451)	(492)
Net		**219,697**	**198,231**	**306,227**	**305,451**
Bad and doubtful debts expense (reversal) for the year		(12)	1,101	(2)	(6)

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Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Related parties				
Within credit terms	9,313	4,559	211,635	179,742
Overdue:				
Less than 3 months	3,176	11	9,613	34,465
	12,489	**4,570**	**221,248**	**214,207**
Other parties				
Within credit terms	181,594	171,337	75,720	82,577
Overdue:				
Less than 3 months	22,656	19,085	8,968	8,173
3-6 months	-	39	-	3
6-12 months	-	2	-	-
Over 12 months	17,778	28,904	742	983
	222,028	**219,367**	**85,430**	**91,736**
Less allowance for doubtful accounts	(14,820)	(25,706)	(451)	(492)
	207,208	**193,661**	**84,979**	**91,244**
Net	**219,697**	**198,231**	**306,227**	**305,451**

The normal credit term granted by the Group ranges from 30 days to 90 days.

As at 31 December 2015, the subsidiary had a trade account receivable which has been overdue for more than 6 years amounting to Baht 2.93 million. Such trade account receivable had letter to mortgage land as collateral and the management believes that the collateral covers the outstanding receivable; therefore, no allowance for doubtful accounts has been made.

The currency denomination of trade accounts receivable as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Thai Baht (THB)	196,003	193,257	268,164	275,263
United States Dollars (USD)	38,514	30,680	38,514	30,680
Total	**234,517**	**223,937**	**306,678**	**305,943**

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Finished goods	76,144	69,768	63,976	57,527
Work in progress	50,964	48,655	50,964	48,655
Raw materials and semi-raw materials	120,407	119,417	120,407	119,417
Factory supplies	27,492	29,177	27,492	29,177
Goods in transit	18,425	11,803	18,425	11,802
Total	**293,432**	**278,820**	**281,264**	**266,578**
Less allowance for decline in value	(1,458)	(964)	(1,336)	(731)
Net	**291,974**	**277,856**	**279,928**	**265,847**
Inventories recognised as an expense in 'cost of sales of goods'				
- Cost	1,420,569	1,395,367	1,428,489	1,385,531
- Write-down to net realisable value (reversal)	3,023	(1,823)	2,977	(1,457)
Total	**1,423,592**	**1,393,544**	**1,431,466**	**1,384,074**

10 Investment in subsidiary

Investment in subsidiary as at 31 December 2015 and 2014, and dividend income from this investment for the years then ended, were as follows:

						Separate financial statements							
	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		(%)				(in thousand Baht)							
Subsidiary													
Yuasa Sales and Distribution Co., Ltd.	Distribution of battery	99.99	99.99	1,000	1,000	1,000	1,000	(1,000)	(1,000)	-	-	-	-
Total						**1,000**	**1,000**	**(1,000)**	**(1,000)**	**-**	**-**	**-**	**-**

A subsidiary was incorporated in Thailand. The book value of investment in Yuasa Sales and Distribution Company Limited (based on the latest audited financial statements) was less than the cost of investment. The Company set up full allowance for the impairment loss on the investment in subsidiary in the separate financial statements.

11 Investment property

	Note	Land	Consolidated financial statements Building and constructions	Total
			(in thousand Baht)	
Cost				
At 1 January 2014		-	-	-
At 31 December 2014 and 1 January 2015		**-**	**-**	**-**
Reclassification from property, plant and equipment	*12*	2,279	1,910	4,189
At 31 December 2015		**2,279**	**1,910**	**4,189**
Depreciation				
At 1 January 2014		-	-	-
At 31 December 2014 and 1 January 2015		**-**	**-**	**-**
Reclassification from property, plant and equipment	*12*	-	1,450	1,450
Depreciation charge for the year		-	47	47
At 31 December 2015		**-**	**1,497**	**1,497**
Net book value				
At 1 January 2014		**-**	**-**	**-**
At 31 December 2014 and 1 January 2015		**-**	**-**	**-**
At 31 December 2015		**2,279**	**413**	**2,692**

Investment property was revalued as at 31 December 2015 by Agency for Real Estate Affairs Co., Ltd., a firm of independent professional valuers, at open market values on an existing use basis. The appraised value was Baht 7.6 million.

Investment property has been transferred from property, plant and equipment (see note 12), since land and building and constructions were no longer used by the Group and as such it was decided that land and building and constructions would be considered for sale to a third party.

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, an independent property valuer, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for investment property of Baht 7.6 million has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

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12 Property, plant and equipment

	Consolidated financial statements						
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in thousand Baht)			
Cost							
At 1 January 2014	25,712	89,531	721,433	38,077	3,056	46,789	924,598
Additions	-	6,891	40,573	3,610	-	20,742	71,816
Transfers	-	19,498	37,855	-	-	(57,353)	-
Disposals	-	-	(12,043)	(1,818)	(743)	(123)	(14,727)
At 31 December 2014 and 1 January 2015	**25,712**	**115,920**	**787,818**	**39,869**	**2,313**	**10,055**	**981,687**
Additions	-	172	11,398	4,076	-	26,867	42,513
Transfers	-	7,278	20,705	1,614	-	(29,485)	112
Transfer to investment property	(2,279)	(1,910)	-	-	-	-	(4,189)
Disposals	-	-	(27,307)	(560)	(955)	-	(28,822)
At 31 December 2015	**23,433**	**121,460**	**792,614**	**44,999**	**1,358**	**7,437**	**991,301**
Depreciation							
At 1 January 2014	-	39,431	578,126	30,908	3,056	-	651,521
Depreciation charge for the year	-	2,434	25,793	2,931	-	-	31,158
Disposals	-	-	(12,015)	(1,816)	(743)	-	(14,574)
At 31 December 2014 and 1 January 2015	**-**	**41,865**	**591,904**	**32,023**	**2,313**	**-**	**668,105**
Depreciation charge for the year	-	2,961	29,510	3,136	-	-	35,607
Transfer to investment property	-	(1,450)	-	-	-	-	(1,450)
Disposals	-	-	(27,090)	(438)	(955)	-	(28,483)
At 31 December 2015	**-**	**43,376**	**594,324**	**34,721**	**1,358**	**-**	**673,779**
Net book value							
At 1 January 2014	**25,712**	**50,100**	**143,307**	**7,169**	**-**	**46,789**	**273,077**
At 31 December 2014 and 1 January 2015	**25,712**	**74,055**	**195,914**	**7,846**	**-**	**10,055**	**313,582**
At 31 December 2015	**23,433**	**78,084**	**198,290**	**10,278**	**-**	**7,437**	**317,522**

	Separate financial statements						
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in thousand Baht)			
Cost							
At 1 January 2014	23,433	87,621	721,433	34,892	757	46,789	914,925
Additions	-	6,891	40,573	3,128	-	20,742	71,334
Transfers	-	19,498	37,855	-	-	(57,353)	-
Disposals	-	-	(12,043)	(1,818)	-	(123)	(13,984)
At 31 December 2014 and 1 January 2015	**23,433**	**114,010**	**787,818**	**36,202**	**757**	**10,055**	**972,275**
Additions	-	172	11,398	3,980	-	26,641	42,191
Transfers	-	7,278	20,705	1,614	-	(29,485)	112
Disposals	-	-	(27,307)	(560)	-	-	(27,867)
At 31 December 2015	**23,433**	**121,460**	**792,614**	**41,236**	**757**	**7,211**	**986,711**
Depreciation							
At 1 January 2014	-	38,124	578,126	28,164	757	-	645,171
Depreciation charge for the year	-	2,339	25,793	2,633	-	-	30,765
Disposals	-	-	(12,015)	(1,816)	-	-	(13,831)
At 31 December 2014 and 1 January 2015	**-**	**40,463**	**591,904**	**28,981**	**757**	**-**	**662,105**
Depreciation charge for the year	-	2,913	29,510	2,877	-	-	35,300
Disposals	-	-	(27,090)	(438)	-	-	(27,528)
At 31 December 2015	**-**	**43,376**	**594,324**	**31,420**	**757**	**-**	**669,877**
Net book value							
At 1 January 2014	**23,433**	**49,497**	**143,307**	**6,728**	**-**	**46,789**	**269,754**
At 31 December 2014 and 1 January 2015	**23,433**	**73,547**	**195,914**	**7,221**	**-**	**10,055**	**310,170**
At 31 December 2015	**23,433**	**78,084**	**198,290**	**9,816**	**-**	**7,211**	**316,834**

The gross amount of the Group's and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 298.5 million and Baht 295.1 million, respectively *(2014: Baht 321.8 million and Baht 317.9 million, respectively)*.

Security

At 31 December 2015, the Group's and the Company's land and constructions thereon with a net book value of Baht 30 million *(2014: Baht 30 million)* have been mortgaged as collateral for facilities obtained from a financial institution (see note 14).

Transfer to investment property

During 2015, an asset was transferred to investment property (see note 11), because it was no longer used by the Group and it was decided that the asset would be considered for sale to a third party.

13 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
	(in thousand Baht)			
Total	10,817	10,823	(1,969)	(1,549)
Set off of tax	(1,969)	(1,549)	1,969	1,549
Net deferred tax assets	**8,848**	**9,274**	**-**	**-**

	Separate financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
	(in thousand Baht)			
Total	11,017	11,023	(1,969)	(1,549)
Set off of tax	(1,969)	(1,549)	1,969	1,549
Net deferred tax assets	**9,048**	**9,474**	**-**	**-**

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

Movements in total deferred tax assets and liability during the years were as follows:

		Consolidated financial statements (Charged) / credited to:		
	At 1 January 2015	Profit or loss	Other comprehensive income	**At 31 December 2015**
		(in thousand Baht)		
Deferred tax assets				
Allowance for doubtful accounts	98	(8)	-	90
Allowance for decline in value	146	121	-	267
Employee benefit obligations	10,177	29	(190)	10,016
Provision for legal claims	402	42	-	444
Total	**10,823**	**184**	**(190)**	**10,817**
Deferred tax liability				
Depreciation gap	(1,549)	(420)	-	(1,969)
Total	**(1,549)**	**(420)**	**-**	**(1,969)**
Net	**9,274**	**(236)**	**(190)**	**8,848**

		Consolidated financial statements (Charged) / credited to:		
	At 1 January 2014	Profit or loss	Other comprehensive income	**At 31 December 2014**
		(in thousand Baht)		
Deferred tax assets				
Allowance for doubtful accounts	99	(1)	-	98
Allowance for decline in value	438	(292)	-	146
Employee benefit obligations	9,634	543	-	10,177
Provision for legal claims	-	402	-	402
Total	**10,171**	**652**	**-**	**10,823**
Deferred tax liability				
Depreciation gap	(2,678)	1,129	-	(1,549)
Total	**(2,678)**	**1,129**	**-**	**(1,549)**
Net	**7,493**	**1,781**	**-**	**9,274**

		Separate financial statements (Charged) / credited to:		
	At 1 January 2015	Profit or loss	Other comprehensive income	**At 31 December 2015**
		(in thousand Baht)		
Deferred tax assets				
Allowance for doubtful accounts	98	(8)	-	90
Allowance for decline in value	146	121	-	267
Investment in subsidiary	200	-	-	200
Employee benefit obligations	10,177	29	(190)	10,016
Provision for legal claims	402	42	-	444
Total	**11,023**	**184**	**(190)**	**11,017**
Deferred tax liability				
Depreciation gap	(1,549)	(420)	-	(1,969)
Total	**(1,549)**	**(420)**	**-**	**(1,969)**
Net	**9,474**	**(236)**	**(190)**	**9,048**

		Separate financial statements (Charged) / credited to:		
	At 1 January 2014	Profit or loss	Other comprehensive income	**At 31 December 2014**
		(in thousand Baht)		
Deferred tax assets				
Allowance for doubtful accounts	99	(1)	-	98
Allowance for decline in value	438	(292)	-	146
Investment in subsidiary	200	-	-	200
Employee benefit obligations	9,634	543	-	10,177
Provision for legal claims	-	402	-	402
Total	**10,371**	**652**	**-**	**11,023**
Deferred tax liability				
Depreciation gap	(2,678)	1,129	-	(1,549)
Total	**(2,678)**	**1,129**	**-**	**(1,549)**
Net	**7,693**	**1,781**	**-**	**9,474**

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		**Separate financial statements**	
	2015	2014	2015	2014
	(in thousand Baht)			
Tax losses	897	2,877	-	489
Deductible temporary differences:				
- Allowance for doubtful accounts	2,874	2,876	-	-
- Others	1,881	1,872	(185)	-
Total	**5,652**	**7,625**	**(185)**	**489**

The tax losses expire in 2017 to 2019. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

14 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Current				
Short-term loans from financial institution - unsecured	90,000	130,000	90,000	130,000

As at 31 December 2015, the Company had promissory notes from a financial institution of Baht 90 million *(2014: Baht 130 million)*, carrying interest rate of 3.45% per annum *(2014: 4% per annum)*, and will be repayable at call.

Movements during the years ended 31 December of current portion of long-term loans from financial institutions were as follows:

Current portion of long-term loans from financial institutions	Consolidated financial statements	Separate financial statements
	2014	2014
	(in thousand Baht)	
At 1 January	5,000	5,000
Decrease	(5,000)	(5,000)
At 31 December	-	-

The Company had current portion of long-term loans from a financial institution at the interest rate of 7.1% per annum of which the Company already paid in full amount since February 2014

As at 31 December 2015, the Company had unutilised facilities with certain financial institutions totalling Baht 609.1 million *(2014: Baht 586.8 million)*, which some facilities from a financial institution of Baht 137.5 million *(2014: Baht 137.5 million)* were guaranteed by land and constructions thereon (see note 12).

As at 31 December 2015, a subsidiary had unutilised facilities with a financial institution of Baht 5 million *(2014: Baht 5 million)* which was guaranteed by the parent company.

Interest-bearing liabilities of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

15 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		(in thousand Baht)			
Related parties	*6*	12,366	7,520	12,366	7,520
Other parties		247,330	245,705	247,330	245,705
Total		**259,696**	**253,225**	**259,696**	**253,225**

The currency denomination of trade accounts payable as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Thai Baht (THB)	137,157	153,030	137,157	153,030
Japanese Yen (JPY)	59,141	56,997	59,141	56,997
United States Dollars (USD)	63,324	43,001	63,324	43,001
Others	74	197	74	197
Total	**259,696**	**253,225**	**259,696**	**253,225**

16 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		(in thousand Baht)			
Related parties	*6*	**39,772**	**38,574**	**35,772**	**34,574**
Other parties					
Accrued operating expenses		53,252	43,490	32,703	26,273
Advance received		6,441	5,641	6,344	5,547
Payable for fixed assets purchased		3,862	6,520	3,657	6,520
Payable for the Revenue Department		3,702	3,134	2,500	1,932
Provision for legal claims		2,222	2,012	2,222	2,012
Derivatives liabilities		-	2,061	-	2,061
Others		226	228	182	182
Total		**109,477**	**101,660**	**83,380**	**79,101**

According to the judgement of the Central Labour Court, the Company was ordered to pay compensation for unfair dismissal claim in the amount of Baht 2.8 million together with interest rates as specified in the court judgement totalling of Baht 4.5 million. The Company has deposited Baht 2.3 million with the Court. Subsequently, the Company filed an objection to the judgment with the Supreme Court. As at 31 December 2015, the case had not been finalised.

As at 31 December 2015, the Company had recorded provision for legal claims deducted with deposit amount at the court amounting to Baht 2.2 million *(2014: Baht 2.0 million)* as other payables in the statement of financial position.

The currency denomination of other payables as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Thai Baht (THB)	108,986	101,223	82,889	78,664
United States Dollars (USD)	491	437	491	437
Total	**109,477**	**101,660**	**83,380**	**79,101**

17 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
	(in thousand Baht)			
Statement of financial position obligations for:				
Post-employment benefits	57,078	55,961	49,007	49,147
Other long-term employee benefits	1,151	1,840	1,071	1,730
Total	**58,229**	**57,801**	**50,078**	**50,877**

Year ended 31 December	Consolidated financial statements 2015	2014 (Restated)	Separate financial statements 2015	2014 (Restated)
	(in thousand Baht)			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	7,374	6,421	6,285	5,601
Other long-term employee benefits	(461)	707	(440)	565
Total	**6,913**	**7,128**	**5,845**	**6,166**
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	782	-	950	-
Cumulative actuarial gains (losses) recognised	732	(50)	(390)	(1,340)

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
	(in thousand Baht)			
Present value of unfunded obligations	**58,229**	**57,801**	**50,078**	**50,877**

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
	(in thousand Baht)			
Defined benefit obligations at 1 January	57,801	54,142	50,877	48,169
Included in profit or loss				
Current service costs	5,858	5,122	4,988	4,376
Interest on obligation	1,744	2,006	1,510	1,790
Actuarial gains	(689)	-	(653)	-
	6,913	7,128	5,845	6,166
Included in other comprehensive income				
Actuarial gains	(782)	-	(950)	-
Other				
Benefits paid	(5,703)	(3,469)	(5,694)	(3,458)
Defined benefit obligations at 31 December	**58,229**	**57,801**	**50,078**	**50,877**

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
	(in thousand Baht)			
Demographic assumptions	1,191	-	1,292	-
Financial assumptions	(2,046)	-	(1,797)	-
Experience adjustment	1,637	-	1,455	-
Total	**782**	**-**	**950**	**-**

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(%)			
Discount rate	3.32 and 3.41	3.89 and 4.05	3.41	3.89
Future salary growth	4.50	4.50	4.50	4.50
Turnover rate	0 - 16	0 - 20	0 - 15	0 - 9

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 16.33 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
Defined benefit obligation 31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5,599)	6,578	(4,726)	5,553
Future salary growth (1% movement)	5,156	(4,424)	4,208	(3,600)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

18 Share capital

	Par value per share *(in Baht)*	2015 Number	2015 Baht	2014 Number	2014 Baht
		(thousand shares / thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	*1*	107,625	107,625	107,625	107,625
At 31 December					
- ordinary shares	*1*	**107,625**	**107,625**	**107,625**	**107,625**
Issued and paid-up					
At 1 January					
- ordinary shares	*1*	107,625	107,625	107,625	107,625
At 31 December					
- ordinary shares	*1*	**107,625**	**107,625**	**107,625**	**107,625**

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

19 Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

20 Segment information

Management considers that the Group operates in a single line of business comprising the manufacturing of batteries for automobiles and motorcycles, and has, therefore, only one reportable segment. The Company is a battery manufacturer and derives revenue from 3 different customer groups i.e. Original Equipment Market (OEM), Replacement Equipment Market (REM) and Export market. Other operations include products other than batteries for automobile and motorcycles. Information regarding the revenue from each group as included in the internal management report that are reviewed by the Group's chief operating decision maker (CODM) is shown below:

	Original Equipment Market (OEM)		Replacement Equipment Market (REM)		Export market		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
					(in thousand Baht)					
External revenue	609,632	677,118	778,538	677,423	342,200	294,914	23,675	18,818	1,754,045	1,668,273
Internal revenue	-	-	730,694	626,343	-	-	469	533	731,163	626,876
Total revenue	**609,632**	**677,118**	**1,509,232**	**1,303,766**	**342,200**	**294,914**	**24,144**	**19,351**	**2,485,208**	**2,295,149**
Elimination of internal revenue	-	-	(730,694)	(626,343)	-	-	(469)	(533)	(731,163)	(626,876)
Consolidated revenue	**609,632**	**677,118**	**778,538**	**677,423**	**342,200**	**294,914**	**23,675**	**18,818**	**1,754,045**	**1,668,273**
Cost of sales	(505,977)	(575,078)	(584,405)	(529,221)	(311,385)	(273,704)	(21,826)	(15,541)	(1,423,593)	(1,393,544)
Consolidated gross profit	**103,655**	**102,040**	**194,133**	**148,202**	**30,815**	**21,210**	**1,849**	**3,277**	**330,452**	**274,729**

Geographical segments

The Group is managed and operates manufacturing facilities and sales offices only in Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

Geographical information

	Revenues	
	2015	2014
	(in thousand Baht)	
Thailand	1,345,317	1,281,073
Other countries	408,728	387,200
Total	**1,754,045**	**1,668,273**

Major customer

Revenues from a customer of the Group's segments represents approximately Baht 336.8 million *(2014: Baht 297.1 million)* of the Group's total revenues.

21 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Salaries, wages and bonus	219,861	206,606	199,896	186,847
Pension costs - defined benefit plans	6,913	7,011	5,845	6,048
Pension costs - defined contribution plans	2,495	2,510	2,241	2,229
Director's remuneration	2,074	2,934	2,074	2,934
Others	26,341	34,486	23,905	31,282
Total	**257,684**	**253,547**	**233,961**	**229,340**

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 3% of their basic salaries and by the Group at the rate of 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

22 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		(in thousand Baht)			
Included in costs of sales of goods:					
Changes in inventories of finished good and work in progress		(8,685)	(3,661)	(8,758)	(5,185)
Raw material and consumables used		932,494	937,411	932,494	937,411
Purchase of finished goods		83,287	60,698	83,287	48,098
Scrap sale		(47,238)	(32,388)	(39,402)	(28,098)
Employee benefit expenses	*21*	190,172	175,938	190,172	175,938
Utilities expenses		62,516	61,816	62,516	61,816
Repair and maintenance expenses		40,999	40,554	40,999	40,554
Others		170,047	153,176	170,158	153,540
Total		**1,423,592**	**1,393,544**	**1,431,466**	**1,384,074**
Included in selling expenses:					
Excise tax		130,603	126,576	130,603	126,576
Royalty fee		23,772	22,574	23,772	22,574
Employee benefit expenses	*21*	22,043	20,597	8,762	7,944
Transportation expenses		19,354	18,176	10,869	10,628
Others		19,174	25,088	7,616	8,973
Total		**214,946**	**213,011**	**181,622**	**176,695**
Included in administrative expenses:					
Employee benefit expenses	*21*	45,469	57,012	35,027	45,458
Professional fees		4,297	3,614	3,840	3,098
Depreciation and amortisation		3,748	2,789	2,353	2,140
Rental expenses		2,894	2,932	2,894	2,932
Others		16,580	12,094	14,670	9,249
Total		**72,988**	**78,441**	**58,784**	**62,877**

23 Income tax (expense) benefit

Income tax recognised in profit of loss

	Note	Consolidated financial statements 2015	Consolidated financial statements 2014	Separate financial statements 2015	Separate financial statements 2014
		(in thousand Baht)			
Current tax expense					
Current year		2,330	-	2,330	-
Deferred tax expense					
Movements in temporary differences	*13*	236	1,781	236	1,781
Total income tax expense (benefit)		**2,566**	**1,781**	**2,566**	**1,781**

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2015			2014		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
	(in thousand Baht)					
Defined benefit plan actuarial gains	**782**	**(190)**	**592**	**-**	**-**	**-**

	Separate financial statements					
	2015			2014		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
	(in thousand Baht)					
Defined benefit plan actuarial gains	**950**	**(190)**	**760**	**-**	**-**	**-**

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Profit (loss) before income tax		46,511		(10,831)
Income tax using the Thai corporation tax rate	20	9,302	20	(2,166)
Income not subject to tax		(226)		(239)
Utilisation of previously unrecognised tax losses		(6,195)		-
Current year losses for which no deferred tax was recognised and others		(315)		624
Total		**2,566**		**(1,781)**

	Separate financial statements			
	2015		2014	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Profit before income tax		40,168		671
Income tax using the Thai corporation tax rate	20	8,034	20	134
Income not subject to tax		(226)		(239)
Utilisation of previously unrecognised tax losses		(6,195)		-
Current year losses for which no deferred tax was recognised and others		953		(1,676)
Total		**2,566**		**(1,781)**

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction of the corporate income tax rate to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the statutory corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

24 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2015 and 2014 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
	(in thousand Baht / thousand shares)			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	43,944	(9,050)	37,602	2,453
Number of ordinary shares outstanding	107,625	107,625	107,625	107,625
Earnings (loss) per share (basic) *(in Baht)*	**0.41**	**(0.08)**	**0.35**	**0.02**

25 Dividends

At the annual general meeting of the shareholders of the Company held on 24 April 2014, the shareholders approved the appropriation of dividend of Baht 0.03 per share, amounting to Baht 3.2 million. The dividend was paid to shareholders on 22 May 2014.

26 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 14). However, the Group mitigates the risk by ensuring that the majority of its borrowings are at floating rates, which are based on market rates such as the interest prime rate of commercial banks.

The effective interest rates of of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

		Consolidated and separate financial statements			
	Effective interest rates *(% per annum)*	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in thousand Baht)		
2015					
Current					
Short-term loans from financial institution	3.75	90,000	-	-	90,000
Total		**90,000**	**-**	**-**	**90,000**
2014					
Current					
Short-term loans from financial institution	4.00	130,000	-	-	130,000
Total		**130,000**	**-**	**-**	**130,000**

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		**Separate financial statements**	
	Note	2015	2014	2015	2014
		(in thousand Baht)			
United States Dollars					
Cash and cash equivalents	*7*	1,503	-	1,503	-
Trade accounts receivable	*8*	38,514	30,680	38,514	30,680
Other receivables		301	423	301	423
Trade accounts payable	*15*	(63,324)	(43,001)	(63,324)	(43,001)
Other payables	*16*	(491)	(437)	(491)	(437)
Gross statement of financial position exposure		**(23,497)**	**(12,335)**	**(23,497)**	**(12,335)**
Currency forwards		18,159	-	18,159	-
Net exposure		**(5,338)**	**(12,355)**	**(5,338)**	**(12,355)**
Japanese Yen					
Trade accounts payable	*15*	(59,141)	(56,997)	(59,141)	(56,997)
Gross statement of financial position exposure		**(59,141)**	**(56,997)**	**(59,141)**	**(56,997)**
Currency forwards		26,757	29,945	26,757	29,945
Net exposure		**(32,384)**	**(27,052)**	**(32,384)**	**(27,052)**

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses over than an allowance for doubtful accounts already provided.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets and liabilities

The fair value of current portion of financial assets and liabilities are taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

The fair values of other financial assets and liabilities not stated above, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

	Consolidated financial statements		**Separate financial statements**	
	Carrying amount	Fair value Level 2	Carrying amount	Fair value Level 2
	(in thousand Baht)			
31 December 2015				
Current				
Derivative assets	928	928	928	928
Derivative liabilities	-	-	-	-
Net	**928**	**928**	**928**	**928**

	Consolidated financial statements		**Separate financial statements**	
	Fair value	Carrying value	Fair value	Carrying value
	(in thousand Baht)			
31 December 2014				
Current				
Derivative assets	-	-	-	-
Derivative liabilities	(2,061)	(2,061)	(2,061)	(2,061)
Net	**(2,061)**	**(2,061)**	**(2,061)**	**(2,061)**

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset of liability.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

27 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for				
Building and constructions	3,071	5,148	2,880	5,148
Machinery and equipment	3,633	1,012	3,633	1,012
Computer software	180	-	117	-
Total	**6,884**	**6,160**	**6,630**	**6,160**
Non-cancellable operating lease commitments				
Within one year	5,644	5,351	5,152	4,858
After one year but within five years	9,588	4,643	9,120	3,672
Total	**15,232**	**9,994**	**14,272**	**8,530**
Other commitments				
Bank guarantees	8,475	7,781	8,475	7,781

As at 31 December 2015, the Group had;

(a) operating lease agreements covering warehouse, office equipments and vehicles for the Company and covering vehicles for a subsidiary for periods of 1 to 5 years, which will expire in various dates in 2016 to 2020.

(b) letter of guarantees issued by financial institutions in favour of the Company for the use of electricity and for performance bonds guarantee.

(c) purchase order accepted by suppliers of the Company for purchase of raw materials for a total quantity of 4,800 MT *(2014: 3,827 MT)*, at the prices as determined in purchase order that will be delivered during 2016 *(2014: during 2015)*.

28 Contingent liabilities

As at 31 December 2015, the Company had;

(a) guaranteed unutilised bank overdrafts for subsidiary in amount of Baht 5 million *(2014: Baht 5 million)*.

(b) guaranteed rental agreements for subsidiary in amount of Baht 0.54 million *(2014: Baht 0.90 million)*.

(c) issued a letter of support to provide financial support to its subsidiary. The subsidiary had net book liabilities of Baht 94.3 million.

29 Events after the reporting period

At the Board of Directors' meeting hold on 18 February 2016, the directors resolved to propose the dividend payment at Baht 0.08 per share. The dividend payment shall be approved by its shareholders at the annual general meeting of the shareholders.

30 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 27 (revised 2015)	Separate Financial Statements
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

31 Reclassification of accounts

Certain accounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements as follows:

	2014 Consolidated financial statements		
	Before reclassification	Reclassification	After reclassification
		(in thousand Baht)	
Statement of financial position			
Other receivables - related parties	423	(423)	-
Other receivables - unrelated parties	6,609	(6,609)	-
Other receivables	-	7,032	7,032
Trade and other payables - related parties	(46,094)	46,094	-
Trade and other payables - unrelated parties	(308,791)	308,791	-
Trade accounts payable	-	(253,225)	(253,225)
Other payables	-	(101,660)	(101,660)
		-	
Statement of comprehensive income			
Other income	11,527	(5,363)	6,164
Net foreign exchange gain	-	5,363	5,363
		-	

	2014 Separate financial statements		
	Before reclassification	Reclassification	After reclassification
		(in thousand Baht)	
Statement of financial position			
Other receivables - related parties	686	(686)	-
Other receivables - unrelated parties	6,295	(6,295)	-
Other receivables	-	6,981	6,981
Trade and other payables - related parties	(42,094)	42,094	-
Trade and other payables - unrelated parties	(290,232)	290,232	-
Trade accounts payable	-	(253,225)	(253,225)
Other payables	-	(79,101)	(79,101)
		-	
Statement of comprehensive income			
Other income	12,225	(5,363)	6,862
Net foreign exchange gain	-	5,363	5,363
		-	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

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