



รายงานประจำปี

**2560**  
**2017**

Annual Report

บริษัท ยิวซ่าแบตเตอรี่ ประเทศไทย จำกัด (มหาชน)

YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED



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# 1. Message from Chairman of the Board of Directors

In the year 2017, it was my second year of being the Chairman of the Board (acting) and Chief Executive Officer who created a good performance consistently and satisfactorily although the lead price which was the main raw materials of previous year would be increased, and at the end of last year, the government had announced to change the calculation method and rate of excise tax with the battery manufacturer. Economic situation of last year, it was started to recover continuously, especially the automotive industry even the world economy was not good at all. The Company continued to improve its efficiency of battery production in order to reduce losses of every production process. In last year, we also had invited the specialists from GS Yuasa International Co., Ltd., our parent company, to share knowledge and skills, and jointly improve the production system. In addition, the working area of the Company had been improved so that all parties could work together as a team, communicate and solve the problems speedily in accordance with the management's policy. The improvement also made more safety at work. And in the year 2018, the Company shall focus on the policy for more communication amongst the factory, sales department, supporting departments, customers and suppliers. It is based on the belief that both internal and external communication are essential to ensure that all sectors operate in a consistent and unified manner in order to achieve the sustainable growth.



In summary, in the year 2017, the Company had sales revenue at the amount of Baht 2,327 million, increased from the previous year from the higher sales of Replacement and OEM Markets. The cost of sales was Baht 1,959 million or 79.94%, up from the previous year due to the increase of raw material prices. And for selling and administrative expenses including financial cost, it was Baht 370 million. So, the net profit for the year was Baht 111 million.

In the year 2018, the Company shall continue to produce high-quality batteries to meet the customer demand, and also expand its customer base both domestically and internationally with the introduction of new technologies to develop the production system potentially. And the Company is aware of the social responsibility by integrating this consciousness with our operational policies and business plans. We also give the importance and support the community through various social and environmental activities in order to provide the good quality of community and surrounding environment.

All of the company's achievements in the year 2017 cannot be achieved without the support of all participants. On behalf of the Board of Directors, I would like to express the thanks to the shareholders, customers, financial institutions and business partners who always supported the Company. I also thanked the management and staff who provided everything to move forward in accordance with the Company's policy and operational plan, and hold the good corporate governance guidelines. The Company shall run the business to grow forward and sustainability and generate returns for shareholders and stakeholders continuously.

On behalf of Directors



(Ichiro Murata)  
Chairman of the Board of Directors (Acting)  
March 1<sup>st</sup>, 2018

## 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 Vimoohtayon and Mr. Prasert Kitisakkul. And Assoc.Prof.Dr. Lawan Thanadsillapakul was the Chairman of Audit Committee. Furthermore, the Annual General Shareholders' Meeting on April 6, 2017 has passed the resolution to appoint to Assoc.Prof. Pisit Vatanasoomboon to be an Independent Director and a member of Audit Committee since October 1, 2017 instead Mr. Yothin Vimoohtayon who was a member of Audit Committee.

In 2017, there were 14 Audit Committee Meetings. The Audit Committee performed the duties under the scope of the 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 may occur;
3. Considering the related transactions by reviewing the transactions which may 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 regularly 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, and to updating 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.

Audit Committee has advised the Internal Control Commission in some issues in order that Internal Control System of the company would have more efficiency. The details are as follows:-

1. To ensure that the process of hiring constructing company complies with procurement manual and to ensure that inspection of the completion of construction job is clear and accurate, Audit Committee advised the management to review and improve the process of hiring the construction company and clarification of the specified type, category, material, and the standard price of construction in more details. The management has already proceeded as per their request.
2. To ensure that the budget of investment and expense are correct, precise, and easy for the control, Audit Committee advised the management to improve those issues. Now, management has assigned Financial and Accounting Department and IT Department to co-operate with each other and improve those issues.
3. To ensure that the sales rebate of Sales Department to customers is set and implemented clearer, Audit Committee advised the management to make the working process in writing which is in process of making.

Moreover, in 2017, Board of Directors has passed the resolution to join "Thailand's Private Sector Collection Action Coalition Against Corruption". The Chief Executive Officer had the opinion that this project will be successful due to the cooperation from several department, the working committee was formed to prepare and understand the process to join this project. Also, in 2018, the Company will officially submit the application to join the project. The working committee has always reported the progress to the Corporate Governance Committee.

On behalf of Audit Committee



(Assoc.Prof.Dr. Lawan Thanadsillapakul)  
Chairman of Audit Committee  
March 1<sup>st</sup>, 2018



### 3. Policy and Overall Business Operation

#### Policy and overall 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 markets”

##### Mission

“To be a world Class Quality Producer and competitive cost through innovative production technology and new ideas which will be employed to develop its management, productions, thus, strengthening on each Company’ step, maintaining the reputation, fairness, best quality and service as well as the management and staff with teamwork. With these, they 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 its fair business operation.
- The Company strongly believes that conducting business with honesty, morality and ethics is good business governance which will provide a stable and 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 investment 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 on 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.

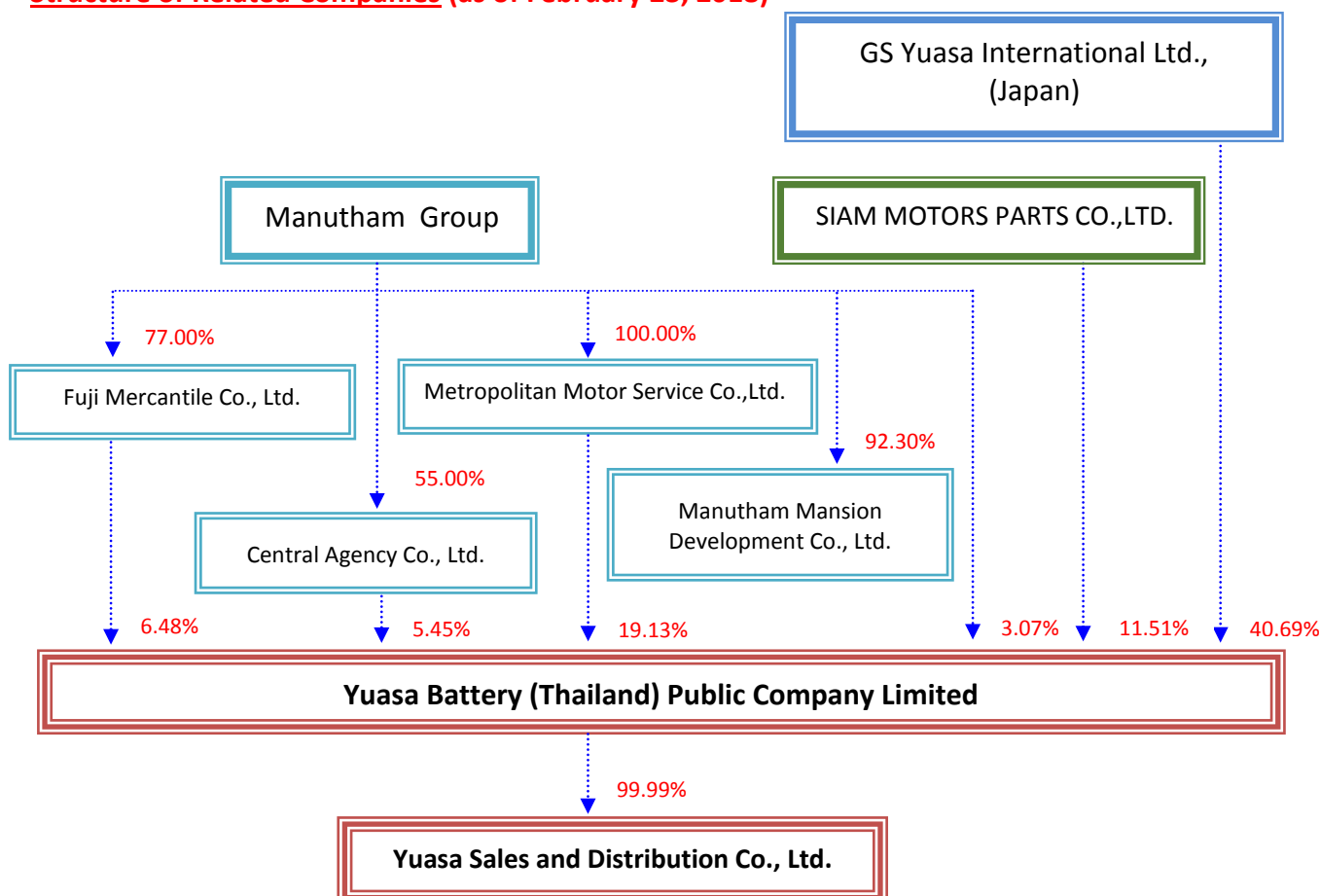
## 4. Nature of Business Operation

### 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 February 23, 2018)



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.



## 4. Nature of Business Operation

### Income Structure of the Company and the Subsidiary

Unit : (Million Baht)										
Detail	2013		2014		2015		2016		2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Yuasa Battery (Thailand) Public Co., Ltd. (Company)</b>										
<b>1. Automotive Battery</b>										
➤ Original Equipment Market (OEM)	291.21	16.53	244.39	14.55	147.53	8.37	115.11	5.52	122.61	5.23
➤ Export	251.75	14.29	289.39	17.23	279.37	15.85	325.95	15.62	319.44	13.62
➤ Indirect Export*	32.00	1.82	16.13	0.96	29.24	1.66	29.43	1.41	19.19	0.82
➤ Other	0.44	0.03	0.73	0.04	0.04	0.00	0.005	0.00	0.001	0.00
<b>2. Motorcycle Battery</b>										
➤ Original Equipment Market (OEM)	318.65	18.08	299.36	17.82	344.53	19.55	419.23	20.09	586.24	25.00
➤ Export	117.46	6.67	80.56	4.80	103.04	5.85	183.58	8.80	249.84	10.65
➤ Indirect Export*	2.97	0.17	5.20	0.31	1.04	0.06	2.67	0.13	0.91	0.04
➤ Other	0.01	0.00	0.007	0.00	0.01	0.00	0.11	0.01	0.19	0.01
<b>3.</b>										
➤ Domestic Market	41.38	2.35	54.56	3.25	70.05	3.97	26.65	1.28	28.03	1.20
<b>4. Other</b>	0.47	0.03	0.53	0.03	0.64	0.04	0.29	0.01	4.58	0.20
<b>Total Revenue of Company (a)</b>	<b>1,056.35</b>	<b>59.95</b>	<b>990.85</b>	<b>58.99</b>	<b>975.51</b>	<b>55.35</b>	<b>1,103.03</b>	<b>52.85</b>	<b>1,331.03</b>	<b>56.75</b>
<b>Yuasa Sales and Distribution Co., Ltd. (Company holds 99.99%)</b>										
<b>1. Automotive Battery</b>										
➤ Replacement Market (REM)	380.49	21.59	419.66	24.98	500.53	28.40	566.49	27.14	571.02	24.35
<b>2. Motorcycle Battery</b>										
➤ Replacement Market (REM)	276.79	15.71	246.70	14.48	263.11	14.93	383.39	18.37	394.81	16.83
<b>3. Power Supply Battery / Solar Battery</b>	21.46	1.22	9.51	0.56	14.10	0.80	29.49	1.41	30.34	1.29
<b>4. Other</b>	0.03	0.00	1.56	0.09	0.80	0.05	0.03	0.00	0.10	0.00
<b>Total Revenue of Company (b)</b>	<b>678.74</b>	<b>38.52</b>	<b>677.42</b>	<b>40.33</b>	<b>778.54</b>	<b>44.17</b>	<b>979.40</b>	<b>46.93</b>	<b>996.24</b>	<b>42.48</b>
<b>Total revenues from sale (a)+(b)</b>	<b>1,735.10</b>	<b>98.47</b>	<b>1,668.27</b>	<b>99.31</b>	<b>1,754.04</b>	<b>99.52</b>	<b>2,082.43</b>	<b>99.78</b>	<b>2,327.31</b>	<b>99.23</b>
<b>Total other income</b>	<b>26.95</b>	<b>1.53</b>	<b>11.53</b>	<b>0.69</b>	<b>8.55</b>	<b>0.48</b>	<b>4.52</b>	<b>0.22</b>	<b>17.95</b>	<b>0.77</b>
<b>Total Revenue</b>	<b>1,762.05</b>	<b>100.00</b>	<b>1,679.80</b>	<b>100.00</b>	<b>1,862.59</b>	<b>100.00</b>	<b>2,086.95</b>	<b>100.00</b>	<b>2,345.25</b>	<b>100.00</b>

Source: Finance and Accounting Department, Yuasa Battery (Thailand) PLC.

\* Domestically selling the products to export agents

### Significant Changes in the Past Year

In 2017 the company has still run the business following 3 important policies, teamwork, speed and goal to the top, which are launched by Mr. Ichiro Murata, CEO, and having operation and communication from production and sale departments together to meet customers' demand. Moreover, the company also improved office buildings, factory buildings, machines, and working environment inside the factory continuously from the previous year, because the factory area and machines was used for a long period. The significant development of this year production was from the start of 5<sup>th</sup> motorcycle battery assembly line which was purchased at the end of 2017. It was the first year which the amount of motorcycle battery sale was higher than the amount of automotive battery sale. Nevertheless, we developed the new motorcycle battery for YTZ10 and YTZ3V for the new motorcycle market.

For an environment and security in working, the company developed in several parts such as an improvement of walkway connected office area or factory area to have security and protection of accidents

## 4. Nature of Business Operation

not to occur with employees while operating and walking in/out of working area. The company not only developed new products, but also imported products from affiliates such as 65D23, 95D26, 60B24, 80D23, and 115D31 to add more types of battery meeting domestic market's demand.

### Overall Change of Battery Industry

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

For the pure lead price, main raw material of battery production from London Metal Exchange (LME), the price has been fluctuated. In 2017, the average pure lead price was at USD 2,317/ton increased from 2016 for USD 446/ton or 23.85%. Even though the average price of lead was increased and we consider monthly average price of lead, we would find the price of lead tended to increase from the first quarter. However, the price of lead tended to decrease again in second quarter and would increase continuously again in second half of 2017. Nevertheless, the average price of lead in the 4<sup>th</sup> quarter was at the level of USD 2,493/ton which was increased compared with the same quarter of the previous year.

### Production of vehicle in 2017

According to the Thai Automotive Industry Association information, compared with the automotive production between 2017 and 2016 found that the car, vehicle for commercial purpose, and motorcycle production increased by 1.61%, 2.27%, 12.91% respectively which was more corresponded with domestic and overseas sale.

### Domestic Sale of vehicle in 2017

According to the Thai Automotive Industry Association, the domestic sales of car and motorcycle for year 2016 when compared with year 2016, it was found that the sales amount of car and car for commercial purpose increased by 13.39%, 7.02%, and 4.20% respectively. The main reasons were from the recovery of economic, the promotion of investment from government and private sectors, and reliability of consumers which involved stimulating market to grow and also the first car policy which was starting to complete the project in 2017.

### Vehicle Import from overseas in 2017

In 2017, the import value of car and engine was decreased from year 2016 at 13.00% and the import value of engine was increased at 2.32%.

### Vehicle Export in 2017

According to the Thai Customs information which processed by the Bank of Thailand In 2017, the export of vehicles was increased compared with the previous year, except the export car which was decreased by 10.44%. The main reasons were from the competitive countries' economic and UAE market had a policy to decrease some of types of car. However engines and also vehicles which were produced in Thailand were widely accepted in the world market making an overview of vehicle export increased

### Battery business in 2017

According to the production, domestic sales and export of automotive and motorcycle batteries of 8 large-sized factory producers of Office of Industrial Economics on January 30, 2018, it was found that in 2017, the growth of battery industry was decreased from the previous year. For the domestic production and sales, it was dropped respectively by 0.32% and 0.95 while the export was increased by 8.43%. Such figure was not included the batteries which were imported from various countries for domestic sales such as China, India, South Korea, etc. because of cheaper price when compared with the domestic production. Nevertheless, the service might be their weaker point when compared with the product of domestic producer.

## 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 sets a process of managing internal and external risks. The management defines the policies and assesses the risks with the executives from several departments. The possible factors 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 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, the Company's organization size is growing and several risks occurred in various forms. As a result, the management plans to set the Risk Management Committee to consider and review the report of risk assessment and to give advices on setting an acceptable risk management measure. Such committee has started working since year 2017 and report to the Company's management.

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 were not 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 battery production such as lead and plastic, are significant factors for production cost control. The cost of lead and plastic are approximately 70-80% 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 year 2017, the Company purchased lead, a main raw material, totaling 1,052.53 million baht. 165.86 million baht or 12.18% 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 2017, the average price of lead was at USD 2,317/ton increased from 2016 for USD 446/ton or 23.85%. Even though the average price of lead was increased and we consider monthly average price of lead, we would find the price of lead tended to increase from the first quarter. However, the price of lead tended to decrease again in second quarter and would increase continuously again in second half of 2017. Nevertheless, in 2017 the price of lead was fluctuated from USD 2,236/ton in January to the maximum of 2,508/ton in December.

**Measure to manage the risk:** The Company sets 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 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.

In addition, the Company's Purchasing Department follows up the price of raw material closely and daily. With the experience of management that specializes and stays in the battery industry more than 55 years, the Company can run the business continuously, have a good relationship with the maker of raw material and consider purchasing the raw material in line with the production plan appropriately.

### 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, Laos 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 2017, the Company continuously exported the products through GS Yuasa International Ltd. and the affiliates at total amount of 136.05 million baht or 23.08% of the total export amount or 5.85% of the Company's total revenue from selling.



## 5. Risk Factors

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 55 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 Relying on a Few Customers

Risk: In 2017, the Company relied on selling to a few customers for OEM market. One of our domestic customers possessed 74.26 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 56.03% 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) Development plan 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; (7) Import batteries from subsidiaries for the diversity of batteries’ model and customers’ demand.

### 5. 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 to cause any accidents at work from machine or other equipments and/or probably cause the fire case 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 wastewater treatment eradicates lead powder in the water before releasing it outside the factory. The dust collector is implemented in the risky area where it might have the 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.

## 5. Risk Factors

Furthermore, in terms of safety at work and fire protection, the Company ran various procedures to take care of the employees' safety at work by always emphasizing on precaution because it was believed that small precaution may cause the inestimable damage, improvement and maintenance of equipment, provision of safety training and emergency plan, including the installation of equipment such as CCTV system, rehearsal plan, continuous CCCF activities. All of these were conducted to urgently improve dangerous sites to reduce accidents in the factory and for the employees' safety.

### 6. Risk from Sales Credits for Company's Domestic Customers

Risk: The overall economy of 2017 tended to get better comparing with 2016. As a result, the government tried to push forward many projects to inject the money into the system. The sale figure of export was improved. However, agriculture led an economic of the country, the price of agricultural goods especially the main agricultural goods such as rice, and rubber which was quite low affecting the demand of domestic goods unrecovered for battery business. Even though, the company benefited from the growth of car production and purchase, but the domestic sales competition of battery was quite high because each maker continuously launched the new types of product and 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 during the slow economic recovery.

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 selling the products by cash in the initial transactions. Credits shall be considered for them later. With these reasons, the risk was low.

### 7. Risk from Natural Disaster and Man-Made

Risk: The location of the Company was low and near the sea, which risks 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. And in the middle of year 2017, there was some construction of concrete road at the front of factory which was lifted up by 50 centimeters from current level and made that our factory is in the flooding area risk. And when having the rain, we might have some problem of water drainage out from factory.

Measure to manage the risk: In the previous year, the Company has improved the factory's internal drainage and the junction between the factory and external drainage continuously. Furthermore, the Company prepared sandbags and water pumps during the rainy season for faster drainage inside the factory. Nevertheless, in the producing area and machine area which are low and flooded area, the company has prepared and improved the emplacement of machines and drainage in those areas. For the IT system which might have an effect from the flood, we have prepared the database backup system to avoid data damage or in case of damage, the data can be recovered by setting it in the second floor of the office to protect the data from flood or natural disaster.

### 8. Risk from Security of Information Technology

Risk: Information technology is a key tool for the organization's business operation. Currently, the Company was risky in term 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 to recover 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 : <a href="http://www.yuasathai.com">www.yuasathai.com</a>

### • 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	:	Ms. Sirinuch Vimolsathit CPA No. 8413
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	:	Ms. Sirinuch Vimolsathit CPA No. 8413 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, 5 <sup>th</sup> 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 dated on February 23, 2018

	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.	12,389,100	11.51
4	Fuij mercantile co.,Ltd.	6,971,600	6.48
5	Central Agency co.,Ltd.	5,865,100	5.45
6	Manutham Group	3,304,200	3.07
	1) Mrs.Pakrampai Wattanakul	1,341,200	1.25
	2) Mr.Pornchak Manutham	995,600	0.93
	3) Ms.Chanchai Manutham	934,500	0.87
	4) Ms.Chamaiporn Manutham	32,900	0.03
7	Mr. Chatchai Srivattanaiboon	971,200	0.90
8	Thai NVDR Company Limited	347,010	0.32
9	Mrs.Supansa Rakchat	300,000	0.28
10	Mr.Tony chaohi chan	300,000	0.28
	<b>Total the first 10 major shareholders</b>	<b>94,822,030</b>	<b>88.10</b>
	<b>Minor shareholders</b>	<b>12,802,970</b>	<b>11.90</b>
	<b>Total</b>	<b>107,625,000</b>	<b>100.00</b>

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 corporate income 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 corporate income tax, legal reserve and other reserves.

## 8. Management Structure

### 1. The Board of Directors

The structure of the Company directors consists of five commissions; the Board of Directors, the Audit Committee, the Remuneration Committee, the Corporate Governance Committee and Nomination Committee, which Nomination Committee is formed occasionally when there's a director nomination. 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 31<sup>st</sup>, 2017, the Board of Directors comprised of 11 persons as follows:-

Name	Position	Appointment (Director)
1.Mr.Ichiro Murata	Chairman of the Board of Directors (Acting), Vice Chairman of the Board of Directors and Chief Executive Officer	February 18, 2016 January 1, 2016
2.Mr.Pornchak Manutham	Director	December 8, 2003
3.Pol.Maj.Gen.Supchan Manutham	Director	May 8, 2012
4.Mr.Masaaki Hirooka	Director	September 1, 2016
5.Mr.Tsuyoshi Kameda	Director	August 6, 2015
6.Mr.Hidetoshi Ueda	Director	April 8, 2016
7.Mr.Subhavas Bandhuvadh	Director	April 19, 2004
8.Mr.Yothin Vimooktayont ①	Independent Director	April 22, 2008
9.Assoc.Prof.Dr.Lawan Thanadsillapakul	Independent Director and Chairman of Audit Committee	April 21, 2010
10.Mr.Prasert Kitisakkul	Independent Director and Audit Committee	April 21, 2010
11.Assoc.Prof.Pisit Vatanasomboon②	Independent Director and Audit Committee	October 1, 2017

Remark: ① Mr. Yothin Vimooktayont left from the Audit Committee since 30 September 2017, but still held the position of independent director.

② Assoc.Prof.Pisit Vatanasomboon has been appointed as Independent director and Audit Committee from October 1, 2017.

And Mr.Sukthae Ruangwattanachot is Company Secretary.

#### Check and Balance of Non-Executive Directors

As of December 31<sup>st</sup>, 2017, the Board of Directors comprised of 11 directors as follows:

- Executive Directors 1
- Non-Executive Directors 6
- Independent Directors and Audit Committee 4

In the light of the above, the Company had 6 Non-Executive Directors, or 54.55% of the Board Members. There were three Audit Committee members who also in the position of Independent Directors, or 36.36% of the Board Members. The Non-Executive Directors include

1.	Mr. Pornchak	Manutham	Director
2.	Pol.Maj.Gen.Supchan	Manutham	Director
3.	Mr. Masaaki	Hirooka	Director
4.	Mr. Tsuyoshi	Kameda	Director
5.	Mr. Hidetoshi	Ueda	Director
6.	Mr. Subhavas	Bandhuvadh	Director



## 8. Management Structure

### Report of the Board Members' Holding of Securities in 2016-2017

(The securities under the holding of the spouses and the underage children were included.)

First Name-Surname	Ordinary Share (Share)						
	As of 31 DEC 2016	Change in 2017				As of 31 DEC 2017	
						Share	Portion
1. Mr. Ichiro Murata	-	Acquired	-	Sold	-	-	
Spouse and underage children	-	Acquired	-	Sold	-	-	
2. Mr. Pornchak Manutham	325,000	Acquired	670,600	Sold	-	995,600	
Spouse and underage children	-	Acquired	-	Sold	-	-	
3. Pol.Maj.Gen.Supchan Manutham	-	Acquired	-	Sold	-	-	
Spouse and underage children	-	Acquired	-	Sold	-	-	
4. Mr. Masaaki Hirooka	-	Acquired	-	Sold	-	-	
Spouse and underage children	-	Acquired	-	Sold	-	-	
5. Mr. Tsuyoshi Kameda	-	Acquired	-	Sold	-	-	
Spouse and underage children	-	Acquired	-	Sold	-	-	
6. Mr. Hidetoshi Ueda	-	Acquired	-	Sold	-	-	
Spouse and underage children	-	Acquired	-	Sold	-	-	
7. Mr. Subhavas Bandhuvadh	500	Acquired	-	Sold	-	500	
Spouse and underage children	-	Acquired	-	Sold	-	-	
8. Mr. Yothin Vimoogtayon ①	-	Acquired	-	Sold	-	-	
Spouse and underage children	-	Acquired	-	Sold	-	-	
9. Assoc.Prof.Dr.Lawan Thanadsillapakul	-	Acquired	-	Sold	-	-	
Spouse and underage children	-	Acquired	-	Sold	-	-	
10. Mr. Prasert Kitisakkul	2,000	Acquired	-	Sold	-	2,000	
Spouse and underage children	-	Acquired	-	Sold	-	-	
11. Assoc.Prof.Pisit Vatanasomboon ②	-	Acquired	-	Sold	-	-	
Spouse and underage children	-	Acquired	-	Sold	-	-	

Remark; ① Mr. Yothin Vimoohtayont left from the Audit Committee since 30 September 2017, but still held the position of independent director.

② Assoc.Prof.Pisit Vatanasomboon has been appointed as Independent director and Audit Committee from October 1, 2017.

### The Authorized Directors

The authorization is "Mr.Pornchak Manutham or Pol.Maj.Gen.Supchan Manutham and Mr.Ichiro Murata or Mr.Hidetoshi Ueda 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 maximum 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

## 8. Management Structure

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' Meeting ; 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 7 days in advance for their preparation. In 2017, there were 7 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	Term of tenure 2017
1. Assoc.Prof.Dr.Lawan Thanadsillapakul	Chairman of Audit Committee	Jan 1, 2017 – Dec 31,2017
2. Mr. Prasert Kitisakul	Independent Director and Audit Committee	Jan 1, 2017 – Dec 31,2017
3. Mr. Yothin Vimoogtayon ①	Independent Director and Audit Committee	Jan 1, 2017 – Sep 30,2017
4. Assoc.Prof.Pisit Vatanasomboon ②	Independent Director and Audit Committee	Oct 1, 2017 – Dec 31,2017

Remark : ① Mr. Yothin Vimooktayont resigned from the Audit Committee since 30 September 2017, but still held the position of independent director.

② Assoc.Prof.Pisit Vatanasomboon has been appointed as Independent director and Audit Committee from October 1, 2017.

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

## 8. Management Structure

Mr. Prasert Kitisakkul is the person who had expertise and experience in auditing the Company's financial statements. (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.

## 8. Management Structure

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

## 8. Management Structure

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	Independent Director
3. Mr. Prasert Kitisakul	Independent Director
4. Mr. Masaaki Hirooka	Director

And Ms. Chuntra Yingchareonchoke is the 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

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 Vimooktayont	Independent Director
4. Pol.Maj.Gen.Supchan Manutham	Director
5. Mr. Masaaki Hirooka	Director

And Ms.Darawan Suksawat is the secretary of Corporate Governance Committee who has been appointed since December 9, 2016.

#### 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.



## 8. Management Structure

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 The Nomination Committee

The Board of Directors had the resolution to appoint the Nomination Committee (temporary) by the Board of Directors' Meeting no.1/2017 on 14 February 2017. Nomination Committee (temporary) comprised as follows:-

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

And Mr.Sukthae Ruangwattanachot is the secretary of Nomination Committee who has been appointed since February 14, 2017.

### Scope of Work

1. Setting guidelines and policies in nominating Independent Directors by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.
2. Searching, selecting and proposing appropriate persons to assume the position of the Company's Independent directors whose terms have expired and/or became vacant, including newly appointed director.
3. Executing other tasks related to nominations as assigned by the Board of Directors.
4. Evaluating the performance of the top management and reporting to the Board of Directors for their consent.

## 8. Management Structure

The management team and other units have to report or present the information relating to the NC in order to support the operation of the NC to achieve their assigned tasks.

### 1.6 Sub-Committee

Company has not yet been others except Audit Committee, Remuneration Committee and Corporate Governance Committee and Nomination Committee which Nomination Committee is formed occasionally when there's a director nomination.

### 1.7 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. Ichiro  | Murata           | Chief Executive Officer     |
| 2. Mr. Sukthae | Ruengwattanachot | Chief Operating Officer     |
| 3. Mr. Kazuma  | Saito            | Chief Executive Engineering |

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

### 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 procurement 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).

### 1.8 Scope of the Company Secretary

The Board of Directors Meeting no. 1/2005 dated February 25<sup>th</sup>, 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

## 8. Management Structure

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.
5. As well as performing any other acts as assigned by the board.

### Monetary Remuneration

The remuneration shall be considered and determined by the Remuneration Committee and proposed the Board of Directors to consider the criteria based on the role, duty, responsibility, experience, remuneration of listed company in the same industry, performance, size of business and appropriateness of current economic situation. The remuneration of Board of Directors must be approved by the shareholders at the Annual General Shareholders' Meeting of every year.

The Annual General Shareholders' Meeting for year 2017 on April 6, 2017 determined the remuneration of Board of Directors and subcommittees as follows:-

### 2. The Remuneration of Directors and subcommittees

(Unit : Baht)					
Group	Position	Meeting allowance (time/person)	Yearly remuneration (year/person)	Quarterly allowance (time/person)	Other privilege
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	-	-	-
Corporate Governance Committee	Chairman	15,000	-	-	-
	Director	12,500	-	-	-
Nomination Committee	Chairman	15,000	-	-	-
	Director	12,500	-	-	-

Furthermore, Annual General Shareholders' Meeting 2017 determined the yearly allowance of directors at not over than 4% of net profit after corporate income tax of consolidated financial statement which is to be allocated by Board of Directors. And on February 9, 2018, the Board of Directors' meeting no.1/2018 had passed the resolution to pay the yearly allowance of directors at baht 4.45 million or 3.99% of net profit after corporate income tax by allocating to 11 directors who held the position of director during the period as equal amount.

## 8. Management Structure

### The Remuneration and the Frequency of the Board of Directors' Meetings in 2016-2017

(Unit : Baht)						
Directors	Annual Remuneration		Meeting Allowance		Entering of Meeting/Amount of Meeting (Time) per year	
	2016	2017	2016	2017	Ordinary (2016)	Ordinary (2017)
1. Mr.Ichiro Murata	450,000	434,400	90,000	105,000	6/6	7/7
2. Mr.Pornchak Manutham	450,000	434,400	75,000	87,500	6/6	7/7
3. Pol.Maj.Gen.Supchan Manutham	450,000	434,400	75,000	87,500	6/6	7/7
4. Mr. Masaaki Hirooka	148,750	434,400	25,000	87,500	2/3	7/7
5. Mr. Tsuyoshi Kameda	450,000	434,400	62,500	87,500	5/6	7/7
6. Mr. Hidetoshi Ueda	327,500	434,400	62,500	87,500	5/5	7/7
7. Mr. Subhavas Bandhuvadh	450,000	434,400	75,000	87,500	6/6	7/7
8. Mr. Yothin Vimooktayont ①	450,000	434,400	75,500	75,000	6/6	6/7
9. Assoc.Prof.Dr.Lawan Thanadsillapakul	450,000	434,400	75,500	87,500	6/6	7/7
10. Mr. Prasert Kittisakkul	450,000	434,400	75,500	87,500	6/6	7/7
11. Assoc.Prof.Pisit Vatanasomboon ②	-	108,600	-	37,500	-	3/3
<b>Total</b>	<b>4,076,000</b>	<b>4,452,600</b>	<b>690,000</b>	<b>917,500</b>	<b>-</b>	<b>-</b>

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

① Mr. Yothin Vimooktayont left from the Audit Committee since 30 September 2017, but still held the position of independent director.

② Assoc.Prof.Pisit Vatanasomboon has been appointed as Independent director and Audit Committee from October 1, 2017.

### The Remuneration of the Audit Committee in 2017

(Unit : Baht)						
Audit Committee	Quarterly and yearly allowance		Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2016	2017	2016	2017	2016	2017
1.Assoc.Prof.Dr.Lawan Thanadsillapakul	140,000	140,000	225,000	210,000	17/17	14/14
2.Mr. Prasert Kittisakkul	120,000	120,000	212,500	175,000	17/17	14/14
3.Assoc.Prof.Pisit Vatanasomboon ②	-	30,000	-	62,500	-	5/5
4.Mr. Yothin Vimooktayont ①	120,000	900,000	212,500	112,500	17/17	9/9
<b>Total</b>	<b>380,000</b>	<b>380,000</b>	<b>680,000</b>	<b>560,000</b>	<b>-</b>	<b>-</b>

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

① Mr. Yothin Vimooktayont left from the Audit Committee since 30 September 2017, but still held the position of independent director.

② Assoc.Prof.Pisit Vatanasomboon has been appointed as Independent director and Audit Committee from October 1, 2017

## 8. Management Structure

### The Remuneration of the Remuneration Committee in 2017

(Unit : Baht)				
Remuneration Committee	Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2016	2017	2016	2017
1. Mr. Pornchak Manutham	60,000	60,000	5/5	4/4
2. Assoc.Prof.Dr. Lawan Thanadsillapakul	50,000	50,000	5/5	4/4
3. Mr. Prasert Kittisakkul	50,000	50,000	5/5	4/4
4. Mr. Masaaki Hirooka	25,000	50,000	2/2	4/4
<b>Total</b>	175,000	210,000	-	-

### The Remuneration of the Corporate Governance Committee in 2017

(Unit : Baht)				
Corporate Governance Committee	Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2016	2017	2016	2017
1. Assoc.Prof.Dr. Lawan Thanadsillapakul	30,000	60,000	2/2	4/4
2. Mr. Ichiro Murata	25,000	50,000	2/2	4/4
3. Mr. Yothin Vimooktayont	12,500	50,000	1/2	4/4
4. Pol.Maj.Gen.Supchan Manutham	25,000	50,000	2/2	4/4
5. Mr. Masaaki Hirooka	12,500	50,000	1/2	4/4
<b>Total</b>	105,000	260,000	-	-

### The Remuneration of the Nomination Committee in 2017

(Unit : Baht)				
Nomination Committee	Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2016	2017	2016	2017
1. Assoc.Prof.Dr. Lawan Thanadsillapakul	-	30,000	-	2/2
2. Mr. Ichiro Murata	-	25,000	-	2/2
3. Pol.Maj.Gen.Supchan Manutham	-	25,000	-	2/2
<b>Total</b>	-	80,000	-	-

Remark : The Board of Directors had the resolution to appoint the Nomination Committee by the Board of Directors' Meeting no.1/2017 on 14 February 2017.

### The Remuneration of Executive Directors

(Unit : Baht)		
Detail	Directors who are management, and management	
	10 persons of year 2016	10 persons of year 2017
1.Salary	13,659,380	14,811,339
2.Meeting allowance	539,000	542,000
3.Bonus	3,148,919	3,617,695
4.Others welfare	2,595,005	2,859,718

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

### Other remuneration

- none-



## 8. Management Structure

### 3. Personnel

#### Number of the employees

Number of the employees of the Company and its Subsidiary as of December 31, 2017 was 665.

Details of the expenses incurred in 2017 were described as follows:

Detail	Number of Employees (Person) As of 31 December 2017			Remuneration of 2017 (Thousand Baht)		Welfare of 2017 (Thousand Baht)		Expenses for Improving the Employees of 2017 (Thousand Baht)	
	Company	Subsidiary	Total	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary
Head Office	90	40	130	32,721	17,170	3,292	2,301	81	8.99
Factory	535	-	535	200,295	-	17,758	-	419	-
Total	625	40	665	233,016	17,170	21,050	2,301	500	8.99

#### Other Remunerations

Apart from the above-mentioned remuneration, 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. 3.08MB was recorded as expenses paid by the Company and its Subsidiary into the provident fund in the income statement in 2017.

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

-N/A-

#### Labor disputes during the past 3 years

The Company and Subsidiary have no significant labor dispute during the past 3 years.

#### Training Courses and Improvement of the Personnel

Training courses and improvement of personnel in 2017 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;
  - History of the company
  - Regulations and welfares of the company

## 8. Management Structure

- Safety at work
  - Fundamental System of ISO9001:2008
  - Fundamental Environmental Management System 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;
- Social welfare, tax payment
  - Assessment by KPI
  - Training of ISO 9001:2015
  - Assessment technique and report
  - Apply the formula and function of Excel for professional work
  - Company's rules and regulations
  - Email Encryption Training
  - Labor law for leader
  - Zero scrap from production process
  - Use of X-Lift
  - Adjustment of working attitude
  - Human Development Plan
  - QCC Competition
  - Primary Evacuation Training
  - Crane Usage Training
  - Use of Lock out Tag out
3. External training: the employees were sent to be trained outside with training companies on specific fields of each person such as
- BSI Academic Training
  - ISO:14001:2015
  - Fortigate Fundamental Installation
  - Tcc Risk Management Business Continuing Plan (BCP)
  - Digital Workplace by CS Loxinfo
  - Develop Windows Application by Visual Basic NET 2015
  - SAP Solution Summit 2017
  - Advance PLC (PLC 201-MELPTB)
  - Optimize Your Enterprise Backup System by Cs Loxinfo, HPE and veeam
  - The Seminar to Accounting Manager of Japanese companies in Thailand
  - Microsoft Excel 2016 Level
  - GDN & Youtube : Secret for Beginner
  - IT Security Training Program
  - Green Industry
  - Taking Care of Sick Employees from Working
  - Employment Law for Disabled Person
  - Electrical Protection System
  - Survey Report of Salary Result
  - New Labor Law and Social Security Insurance Law

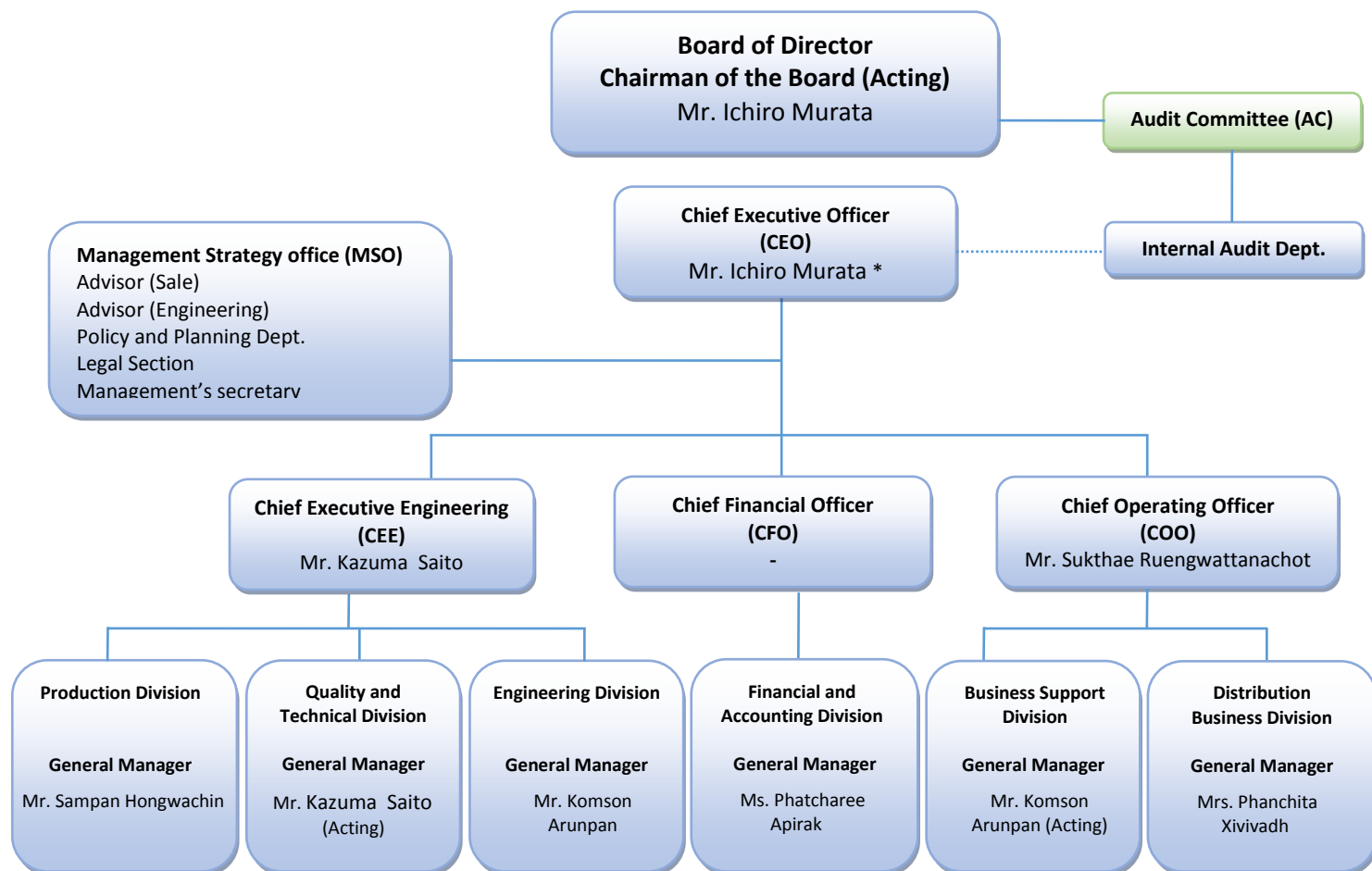
## 8. Management Structure

### Training for enhancing the employees' development

Level of Employees	Average Training Hours / Employee	Target of Training
Management	30 Hrs.	<ol style="list-style-type: none"> <li>1.To cultivate the management's vision, capability and high competence to become the organization's mechanism to drive the organization's strategy to be efficient and effective</li> <li>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</li> <li>3.To build the management's international competitive competence for the present and the future</li> </ol>
Executive Officers / Professional Officers (Level 6-9)	58 Hrs.	<ol style="list-style-type: none"> <li>1.To cultivate more knowledge, competence, skills and good attitude towards work</li> <li>2.To allow cooperation amongst the executive officers to jointly improve the organization and to drive the organization's mission towards the target</li> <li>3.To build harmony and mutual vision in unity for appropriate administration and problem solving without delay</li> <li>4.To cultivate the executive officers' international competitive competence for the present and the future</li> </ol>
Operational Officers (Level 0-5)	72 Hrs.	<ol style="list-style-type: none"> <li>1.To systematically change the behavior and to provide the employees knowledge, understanding, necessary capability and good attitude in the departments' each work</li> <li>2.To let the personnel to be able to work well and to do the colleagues' work</li> <li>3.To increase the value of the organization's employees</li> <li>4.To upgrade the career advancement</li> <li>5.To cultivate the operational officers' international competitive competence for the present and the future</li> </ol>

## 8.1 Organization Chart

The organization chart of Yuasa Battery (Thailand) Plc. and Subsidiary Company as of January 9, 2018



## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



**Mr. Ichiro Murata**

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

**Date of Appointment** January 1, 2016

**Period of Position** 2 Years

Age / Nationality / Proportion of shareholding / Relation to Management	Education Background / Training / Holding the position in other business	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"> <li>Corporate Governance Committee 2 Years</li> <li>Nomination Committee 11 Months</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"> <li>52 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"> <li>Japanese</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>Mechanical Engineering, Faculty of Engineering, University of Fukui, Japan</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"> <li>Certificate of Thailand Institute of Directors (IOD)</li> <li>- Director Accreditation Program (DAP) 125/2016</li> </ul> <b><u>Holding the position of director in the listed company and other company</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	Present	Chairman of the Board (Acting), Vice Chairman of the Board, Chief Executive Officer, Corporate Governance Committee and Nomination Committee of Yuasa Battery (Thailand) PLC. and Yuasa Sales and Distribution Co., Ltd.
		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.
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> <li>Corporate Governance Committee Meeting : 4/4 Times</li> <li>Nomination committee Meeting : 2/2 Times</li> </ul> Yuasa Sales and Distribution Co.,Ltd. <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> </ul>	

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



**Mr. Pornchak Manutham**

**Position Director**

**Date of Appointment December 8, 2003**

**Period of Position 14 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
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"> <li>Chairman of Remuneration Committee 5 Years</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"> <li>63 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"> <li>Thai</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"> <li>995,600 shares or 0.93%</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"> <li>Younger brother of Pol.Maj.Gen. Supchan Manutham</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>Master of Business Administration, Thammasart University</li> <li>Bachelor of Business Administration, Ramkhamhaeng University</li> <li>Bachelor of Science, Chulachomklao Royal Military Academy School</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"> <li>Certificate of Thailand Institute of Directors (IOD) <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 23/2004</li> <li>Director Certification Program (DCP) 156/2012</li> <li>Role of the Chairman Program (RCP) 28/2012</li> <li>Role of the Compensation Committee (RCC) 15/2012</li> </ul> </li> </ul> <b><u>Holding the position of director in the listed company and other company listed company</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>other company</u></b> <ul style="list-style-type: none"> <li>Director; Yuasa Sales and Distribution Co.,Ltd. 14 Years</li> <li>Director; Metropolitan Motor Service Co.,Ltd. 23 Years</li> <li>Director; Fuij mercantile Co.,Ltd. 20 Years</li> <li>Director; Central Agency Co.,Ltd. 22 Years</li> </ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	2003-Present	Director and Chairman of Remuneration Committee of Yuasa Battery (Thailand) PLC. Director; Yuasa Sales and Distribution Co., Ltd.  <b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> <li>Remuneration Committee meeting : 4/4 Times</li> </ul> Yuasa Sales and Distribution Co.,Ltd. <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> </ul>



## 8.2 Director and management




Yuasa Battery (Thailand) Public Company Limited

		<b>Pol.Maj.Gen.Supchan Manutham</b>	
		<b>Position</b>	<b>Director</b>
		<b>Date of Appointment</b>	<b>May 8, 2012</b>
		<b>Period of Position</b>	<b>5 Years 7 Months</b>
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"> <li>Corporate Governance Committee 2 Years</li> <li>Nomination committee 11 Months</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"> <li>71 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"> <li>Thai</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"> <li>Older brother of Mr. Pornchak Manutham</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>Master of Public Administration, Chulalongkorn University</li> <li>Bachelor of law, Thammasart University</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"> <li>Certificate of Thailand Institute of Directors (IOD)</li> <li>Director Accreditation Program (DAP) 91/2011</li> </ul> <b><u>Holding the position of director in the listed company and other company</u></b> <b><u>listed company</u></b> <ul style="list-style-type: none"> <li>Chairman Zeer property Public Co.,Ltd. 6 Years</li> </ul> <b><u>other company</u></b> <ul style="list-style-type: none"> <li>Director; Yuasa Sales and Distribution Co.,Ltd. 5 Years</li> <li>Director; Manutham Mansion Dept.Co., Ltd 25 Years</li> <li>Director; North East Green Energy (Thailand) Co.,Ltd 6 Years</li> </ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	Present	Director, Corporate Governance Committee and Nomination committee of 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.
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b>	
		Yuasa Battery (Thailand) PLC	
		<ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> <li>Corporate Governance Committee Meeting : 4/4 Times</li> <li>Nomination committee Meeting : 2/2 Times</li> </ul>	
		Yuasa Sales and Distribution Co.,Ltd.	
		<ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> </ul>	

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited

		<b>Mr. Subhavas Bandhuvadh</b>	
		<b>Position</b>	
		<b>Director</b>	
		<b>Date of Appointment</b>	
		<b>April 19, 2004</b>	
		<b>Period of Position</b>	
		<b>13 Years 8 Months</b>	
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"><li>63 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"><li>Thai</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"><li>500 shares or 0.0005%</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>Bachelor Degree of Law, Chulalongkorn University</li> <li>Certificate of International law at Hague, Netherlands</li> <li>Management and Marketing Program University of California at Los Angeles (UCLA) Extension</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"> <li>Certificate of Thailand Institute of Directors (IOD)                             <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 21/2004</li> <li>Finance for Non – Finance Directors (FND) 14/2004</li> </ul> </li> </ul> <b><u>Holding the position of director in the listed company and other company</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	Present	Director and Company's Counselor; Yuasa Battery (Thailand) PLC.
		2006-2014	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.
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> </ul>	

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



**Mr. Tsuyoshi Kameda**

**Position Director**

**Date of Appointment August 6, 2015**

**Period of Position 2 Year 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
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"><li>53 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"><li>Japanese</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"><li>Graduated from Department of Chemical Engineering of Himeji Institute of Technology, Japan</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"><li>Was not yet trained by Thailand Institute of Directors (IOD)</li> </ul> <b><u>Holding the position of director in the listed company and other company</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	Present	Director; Yuasa Battery (Thailand) PLC. and 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.
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> </ul> Yuasa Sales and Distribution Co.,Ltd. <ul style="list-style-type: none"> <li>Board of Directors Meeting : 6/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> </ul>	

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



**Mr. Hidetoshi Ueda**

**Position Director**

**Date of Appointment April 8, 2016**


**Period of Position 1 Year 8 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
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"><li>56 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"><li>Japanese</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"><li>Faculty of Economics, Hitotsubashi University, Japan</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"><li>Was not yet trained by Thailand Institute of Directors (IOD)</li> </ul> <b><u>Holding the position of director in the listed company and other company</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	Present	Director, Yuasa Battery (Thailand) PLC.
		2014-Present	Entered into Yuasa Corporation
		2012-2014	General Manager, Planning Division, International Business Unit, GS Yuasa International Ltd
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> </ul>	

## 8.2 Director and management




Yuasa Battery (Thailand) Public Company Limited

		<b>Mr.Masaaki Hirooka</b>  <b>Position</b> Director  <b>Date of Appointment</b> September 1, 2016  <b>Period of Position</b> 1 Year 4 Months	
<b>Age/Nationality/Proportion of shareholding/ Relation to Management</b>  <b><u>Holding the position of Company’s subcommittee</u></b> <ul style="list-style-type: none"><li>Remuneration Committee 1 Year</li><li>Corporate Governance Committee 1 Year</li></ul> <b><u>Age</u></b> <ul style="list-style-type: none"><li>54 Years</li></ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"><li>Japanese</li></ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"><li>Nil</li></ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"><li>Nil</li></ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"><li>Nil</li></ul>	<b>Education Background and Training</b>  <b><u>Education</u></b> <ul style="list-style-type: none"><li>Faculty of Foreign Studies with a degree of Bachelor of Arts, Kobe City University, Chinese</li></ul> <b><u>Training</u></b> <ul style="list-style-type: none"><li>Was not yet trained by Thailand Institute of Directors (IOD)</li></ul> <b><u>Holding the position of director in the listed company and other company</u></b> <ul style="list-style-type: none"><li>Nil</li></ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"><li>Nil</li></ul>	<b>Working Experience in the Last 5 Years</b>	
		<b>Period</b>	<b>Position and Institution/Company</b>
		Present	Director, Remuneration Committee and Corporate Governance Committee of Yuasa Battery (Thailand) PLC. and Director, Yuasa Sales and Distribution Co.,Ltd.
		Aug 2015-Present	Deputy Division Manager, Business Development Division, GS Yuasa International Ltd. (GYIN) and General Manager, 3 <sup>rd</sup> Business Development, GYIN
		Apr 2015-Jul 2015	General Manager, International Business Unit Planning Division, GYIN and General Manager, Corporate Strategic Planning Office, GYIN
		Apr 2012-Mar 2015	General Manager, Corporate Strategic Planning Office, GYIN
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"><li>Board of Directors Meeting : 7/7 Times</li><li>Shareholder Meeting : 1/1 Times</li><li>Remuneration Committee Meeting : 4/4 Times</li><li>Corporate Governance Committee Meeting : 4/4 Times</li></ul> Yuasa Sales and Distribution Co.,Ltd. <ul style="list-style-type: none"><li>Board of Directors Meeting : 6/7 Times</li><li>Shareholder Meeting : 1/1 Times</li></ul>	

## 8.2 Director and management




Yuasa Battery (Thailand) Public Company Limited

		Assoc.Prof.Dr. Lawan	Thanadsillapakul
		Position	Independent Director and Chairman of Audit Committee
		Date of Appointment	April 21, 2010
		Period of Position	7 Years 8 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
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"> <li>Chairman of Audit Committee 3 Years (Appointed to be Audit Committee for 7 Years)</li> <li>Remuneration Committee 5 Years</li> <li>Chairman of Corporate Governance Committee 2 Years</li> <li>Chairman of Nomination Committee 1 Year</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"> <li>61 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"> <li>Thai</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>Ph.D. (Law) Lancaster University (UK) LL.M. (International Comparative Law and European Law) Vrije Universiteit Brussels Belgium</li> <li>Master degree of Law (Internation Law), Thammasat University</li> <li>Bachelor degree of Law, Thammasat University.</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"> <li>Certificate of Thailand Institute of Directors (IOD) <ul style="list-style-type: none"> <li>Audit committee Program (ACP) 35/2009</li> <li>Monitoring Fraud Risk Management (MFM) 6/2011</li> <li>Monitoring the internal Audit Function(MIA) 11/2011</li> <li>Monitoring the system of Internal Control and Risk Management (MIR) 11/2011</li> <li>Monitoring of the Quality of Financial Reporting (MFR) 13/2011</li> <li>Director Examination (EXAM)35/2012</li> <li>Role of the Compensation Committee (RCC) 14/2011</li> <li>Director Certification Program (DCP) 141/2011</li> <li>Financial Statements for Directors (FSD) 22/2013</li> <li>Director Luncheon Briefing (M-DLB) 2/2016</li> <li>National Director Conference (NDC) 1/2016</li> <li>Audit Committee Forum (R-ACF) 1/2016</li> <li>Director Forum (R-DF) 1/2016</li> <li>Board that Make a Difference (BMD) 3/2016</li> <li>Anti Corruption : The Practical Guide (ACPG) 35/2017</li> </ul> </li> </ul>	Present	Independent Director and Chairman of Audit Committee, Remuneration Committee, Chairman of Corporate Governance Committee, Chairman of Nomination Committee of 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 Sripatham University and Thai Chamber of Commerce University etc.
		<b><u>Holding the position of director in the listed company and other company</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	
		<b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> <li>Audit Committee Meeting : 14/14 Times</li> <li>Remuneration Committee Meeting : 4/4 Times</li> <li>Corporate Governance Committee Meeting : 4/4 Times</li> <li>Nomination Committee Meeting : 2/2 Times</li> </ul>	

## 8.2 Director and management




Yuasa Battery (Thailand) Public Company Limited

		<b>Mr. Prasert Kitisakkul</b>	
		<b>Position</b>	<b>Independent Director and Audit Committee</b>
		<b>Date of Appointment</b>	<b>April 21, 2010</b>
		<b>Period of Position</b>	<b>7 Years 8 Months</b>
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"> <li>Audit Committee 7 Years</li> <li>Remuneration Committee 3 Years</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"> <li>67 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"> <li>Thai</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"> <li>2,000 shares or 0.002%</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>Bachelor degree of science (Business Administration) La Salle University, USA.</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"> <li>Certificate of Thailand Institute of Directors (IOD) <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 39/2005</li> <li>Director Certification Program (DCP) 139/2009</li> </ul> </li> </ul> <b><u>Holding the position of director in the listed company and other company</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	Present	Independent Director and Audit Committee, Remuneration Committee of Yuasa Battery (Thailand) PLC.
		2009-Present	Board Director, Thian Fah Foundation Hospital.
		Present	Counselor for the Chairman of the Monitoring and Auditing Committee of the Police Management Plabplachai 2 Police Station.
		2012-2016	Chairman of the Monitoring and Auditing Committee of the Police Management Plabplachai 2 Police Station.
		2003-2005	Specialist for the Monitoring and Budget Management Committee of the representative. Working group of the Monitoring and Budget Management Committee of the government sector in Bangkok and perimeter, the Monitoring and Budget Management Committee of the representative.
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> <li>Board of Directors Meeting : 7/7 Times</li> <li>Shareholder Meeting : 1/1 Times</li> <li>Audit Committee Meeting : 13/14 Times</li> <li>Remuneration Committee Meeting : 4/4 Times</li> </ul>	



## 8.2 Director and management

		<b>Mr. Yothin Vimoohtayon</b>	
		<b>Position</b>	<b>Independent Director and Audit Committee</b>
		<b>Date of Appointment</b>	<b>April 22, 2008</b>
		<b>Period of Position</b>	<b>9 Years 8 Months</b>
<b>Age/Nationality/Proportion of shareholding/ Relation to Management</b>	<b>Education Background and Training</b>	<b>Working Experience in the Last 5 Years</b>	
		<b>Period</b>	<b>Position and Institution/Company</b>
		Present	Independent Director and Corporate Governance Committee, Yuasa Battery (Thailand) PLC.
		2008-2017	Independent Director and Audit Committee and Corporate Governance Committee, Yuasa Battery (Thailand) PLC.
		2009-Present	Director, Wat Benchamabopitr Dusitvanaram Association.
<b>Holding the position of Company’s subcommittee</b> <ul style="list-style-type: none"><li>Audit Committee 9 Years 8 Months</li><li>Corporate Governance Committee 2 Years</li></ul> <b>Age</b> <ul style="list-style-type: none"><li>70 Years</li></ul> <b>Nationality</b> <ul style="list-style-type: none"><li>Thai</li></ul> <b>Proportion of shareholding</b> <ul style="list-style-type: none"><li>Nil</li></ul> <b>Relation to Management</b> <ul style="list-style-type: none"><li>Nil</li></ul> <b>Legal Action</b> <ul style="list-style-type: none"><li>Nil</li></ul>	<b>Education</b> <ul style="list-style-type: none"><li>Master degree of Political Science, Burapha University.</li><li>Bachelor of Laws, Thammasart University.</li><li>Mini MBA, Thammasart University.</li><li>B.A. Economics Chiang Mai University.</li></ul> <b>Training</b> <ul style="list-style-type: none"><li>Certificate of Thailand Institute of Directors (IOD)<ul style="list-style-type: none"><li>Director Certification Program (DCP) 72/2006</li></ul></li></ul> <b>Holding the position of director in the listed company and other company</b> <ul style="list-style-type: none"><li>Nil</li></ul> <b>Holding the position in other business that may lead to conflict of interest</b> <ul style="list-style-type: none"><li>Nil</li></ul>	2004-2007	Deputy director of Excise Department.
<b>Number of meetings attended/Number of total meetings (Times/2017)</b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"><li>Board of Directors Meeting : 6/7 Times</li><li>Shareholder Meeting : 0/1 Times</li><li>Audit Committee Meeting : 9/14 Times</li><li>Corporate Governance Committee Meeting : 4/4 Times</li></ul> Remark : Mr. Yothin Vimooktayont left from the Audit Committee since 30 September 2017, but still held the position of independent director.			

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



**Assoc.Prof. Pisit Vatanasomboon**

**Position** Independent Director and Audit Committee

**Date of Appointment** October 1, 2017


**Period of Position** 3 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
<b><u>Holding the position of Company's subcommittee</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"> <li>60 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"> <li>Thai</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>B.Sc.(Public Health) majoring in Sanitary Science, Mahidol University</li> <li>M.Sc.(Public Health) in Environmental Health, Mahidol University</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"> <li>Was not yet trained by Thailand Institute of Directors (IOD)</li> </ul> <b><u>Holding the position of director in the listed company and other company</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b><u>Holding the position in other business that may lead to conflict of interest</u></b> <ul style="list-style-type: none"> <li>Nil</li> </ul>	Present	Independent Director and Audit Committee, Yuasa Battery (Thailand) PLC.
		2013	Head, Department of Environmental Health Sciences, Faculty of Public Health, Mahidol University.
		2006-2013	Chairman of Administrative Committee, Master of Science Programmer in Environmental Sanitation
		2002-2006	Head, Department of Environmental Health Sciences, Faculty of Public Health, Mahidol University.
		2000-2002	Deputy Head, Department of Environmental Health Sciences, Faculty of Public Health, Mahidol University.
		1996-2002	Secretary of Administrative Committee, Master of Science Programme in Environmental Sanitation
		1992-1996	Dean coordinator, Faculty of Public Health, Mahidol University.
		<b><u>Number of meetings attended/Number of total meetings (Times/2017)</u></b> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> <li>Board of Directors Meeting : 3/3 Times</li> <li>Audit Committee Meeting : 5/5 Times</li> </ul> Remark : Assoc.Prof. Pisit Vatanasomboon has been appointed as Independent director and Audit Committee from October 1, 2017	

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited


		<b>Mr. Kazuma Saito</b> <b>Position</b> Chief Executive Engineer <b>Date of Appointment</b> April 1, 2016 <b>Period of Position</b> 8 Months	
		<b>Age/Nationality/Proportion of shareholding/Relation to Management</b>	
<b>Education Background / Training / Legal Action</b>		<b>Working Experience in the Last 5 Years</b>	
<b>Holding the position of Company's executive</b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b>Age</b> <ul style="list-style-type: none"><li>39 Years</li> </ul> <b>Nationality</b> <ul style="list-style-type: none"><li>Japanese</li> </ul> <b>Proportion of shareholding</b> <ul style="list-style-type: none"><li>Nil</li> </ul>		<b>Period</b>	<b>Position and Institution/Company</b>
<b>Education</b> <ul style="list-style-type: none"><li>Graduated from Materials Science and Processing; Master's Program: Graduate School of Engineering, Osaka University, Japan</li> </ul> <b>Legal Action</b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b>Relation to Management</b> <ul style="list-style-type: none"><li>Nil</li> </ul>		Present	Chief Executive Engineer, Yuasa Battery (Thailand) PLC.
		2016-2017	Assistant Manager and Manager, Motorcycle Battery Group, Automotive Battery Technical Department, Global Technical Headquarters, GS Yuasa International Ltd.
		2011	Assistant Manager, Group I, Department III, Technical Development Division, Global Technical Headquarters, GS Yuasa International Ltd.
		2010	Development Group, R&D Department, Technical Development Division, GS Yuasa International Ltd.
		2007	Technical Department, Technical Development Headquarter, GS Yuasa Manufacturing Ltd.


		<b>Mr. Sukthae Ruengwattanachot</b> <b>Position</b> Company Secretary and Chief Operating Officer <b>Date of Appointment</b> February 25, 2005 <b>Period of Position</b> 11 Years 10 Months	
		<b>Age/Nationality/Proportion of shareholding/Relation to Management</b>	
<b>Education Background / Training / Legal Action</b>		<b>Working Experience in the Last 5 Years</b>	
<b>Holding the position of Company's executive</b> <ul style="list-style-type: none"><li>Company Secretary 11 Years 10 Months</li> <li>Secretary of Nomination Committee 11 Months</li> </ul> <b>Age</b> <ul style="list-style-type: none"><li>50 Years</li> </ul> <b>Nationality</b> <ul style="list-style-type: none"><li>Thai</li> </ul> <b>Proportion of shareholding</b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b>Relation to Management</b> <ul style="list-style-type: none"><li>Nil</li> </ul>		<b>Period</b>	<b>Period</b>
<b>Education</b> <ul style="list-style-type: none"><li>Master Degree of Economic Development, The National Institution of Development Administration (NIDA)</li> <li>Bachelor Degree of Economic and Bachelor Degree of Accounting Ramkhamhaeng University</li> <li>Bachelor Degree of Law, SukhothaiThammathirat Open University</li> <li>Tax Auditor</li> </ul> <b>Legal Action</b> <ul style="list-style-type: none"><li>Nil</li> </ul>		2015-Present	Chief Operating Officer & Company Secretary & Secretary of Management Committee & Secretary of Yuasa Battery (Thailand) PLC.
		2006-2014	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

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited


<div><div></div><div><div>Mr.Komson     Arunpan</div><div>Position                    General Manager (Technical Support Division)</div><div>Date of Appointment    August 1, 2014</div><div>Period of Position        3 Year 4 Months</div></div></div>			
<div>Age/Nationality/Proportion of shareholding/ Relation to Management</div> <div><div><div><div><u>Holding the position of Company’s executive</u></div><div><ul style="list-style-type: none"><li>• Nil</li></ul></div></div><div><div><u>Age</u></div><div><ul style="list-style-type: none"><li>• 48 Years</li></ul></div></div><div><div><u>Nationality</u></div><div><ul style="list-style-type: none"><li>• Thai</li></ul></div></div><div><div><u>Proportion of shareholding</u></div><div><ul style="list-style-type: none"><li>• Nil</li></ul></div></div><div><div><u>Relation to Management</u></div><div><ul style="list-style-type: none"><li>• Nil</li></ul></div></div></div></div>	<div>Education Background/ Legal Action</div> <div><div><div><u>Education</u></div><div><ul style="list-style-type: none"><li>• Bachelor Degree of Science, Faculty of Science Naresuan University</li></ul></div></div><div><div><u>Legal Action</u></div><div><ul style="list-style-type: none"><li>• Nil</li></ul></div></div></div>	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
		Present	General Manager (Technical Support Division) Yuasa Battery (Thailand) PLC.
		2008-2014	General Manager (Quality) & General Manager (Plant) Yuasa Battery (Thailand) PLC.
		2006-2007	Plant Manager Yuasa Battery (Thailand) PLC.


<div><div></div><div><div>Mr.Sampan     Hongwachin</div><div>Position                    General Manager ( Production Division )</div><div>Date of Appointment    July 1, 2015</div><div>Period of Position        2 Year 5 Months</div></div></div>			
<div>Age/Nationality/Proportion of shareholding/ Relation to Management</div> <div><div><div><div><u>Holding the position of Company’s executive</u></div><div><ul style="list-style-type: none"><li>• Nil</li></ul></div></div><div><div><u>Age</u></div><div><ul style="list-style-type: none"><li>• 47 Years</li></ul></div></div><div><div><u>Nationality</u></div><div><ul style="list-style-type: none"><li>• Thai</li></ul></div></div><div><div><u>Proportion of shareholding</u></div><div><ul style="list-style-type: none"><li>• Nil</li></ul></div></div><div><div><u>Relation to Management</u></div><div><ul style="list-style-type: none"><li>• Nil</li></ul></div></div></div></div>	<div>Education Background/ Legal Action</div> <div><div><div><u>Education</u></div><div><ul style="list-style-type: none"><li>• Bachelor Degree of Science, Faculty of Science Burapa University</li></ul></div></div><div><div><u>Legal Action</u></div><div><ul style="list-style-type: none"><li>• Nil</li></ul></div></div></div>	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
		Present	General Manager ( Production Division ), Yuasa Battery (Thailand) PLC.
		2015	General Manager (Plant), Yuasa Battery (Thailand) PLC.
		2014	Assistant General Manager (Plant), Yuasa Battery (Thailand) PLC.

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited


<div>  <div> <b>Miss Phanchita Xivivadh</b>  <b>Position</b> General Manager ( Distribution Business Division )  <b>Date of Appointment</b> May 1, 2016  <b>Period of Position</b> 1 Year 8 Months </div> </div>			
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<b><u>Holding the position of Company's executive</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"><li>42 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"><li>Thai</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"><li>Bachelor Degree of Communication Arts, Bangkok University</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"><li>Thai</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	Present	General Manager (Distribution Business Division), Yuasa Sales and Distribution Co., Ltd
		2014 - 2016	Assistant General Manager (Replacement Market, Modern Trade Market and Marketing), Yuasa Sales and Distribution Co., Ltd
		2013	Assistant General Manager of Modern Trade Market, Yuasa Sales and Distribution Co., Ltd
		2012	Assistant General Manager, Yuasa Sales and Distribution Co., Ltd

<div>  <div> <b>Miss Phatcharee Apirak</b>  <b>Position</b> Assistant General Manager ( Financial and Accounting Division)  <b>Date of Appointment</b> July 1, 2015  <b>Period of Position</b> 2 Year 5 Months </div> </div>			
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<b><u>Holding the position of Company's executive</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Age</u></b> <ul style="list-style-type: none"><li>46 Years</li> </ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"><li>Thai</li> </ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	<b><u>Education</u></b> <ul style="list-style-type: none"><li>Bachelor Degree of Business Administration (Accounting) Ramkhamhaeng University</li> </ul> <b><u>Legal Action</u></b> <ul style="list-style-type: none"><li>Nil</li> </ul>	Present	Assistant General Manager (Financial and Accounting Division) Yuasa Battery (Thailand) PLC. and Financial and Accounting Manager Yuasa Sales and Distribution Co., Ltd
		1997	Financial and Accounting Manager Yuasa Sales and Distribution Co., Ltd

## 8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited

		<b>Miss Darawan Suksawat</b>	
		<b>Position</b>	<b>Internal Audit Manager</b>
		<b>Date of Appointment</b>	<b>April 3, 2006</b>
		<b>Period of Position</b>	<b>11 Years 8 Months</b>
<b>Age/Nationality/Proportion of shareholding/ Relation to Management</b>	<b>Education Background/ Legal Action</b>	<b>Working Experience in the Last 5 Years</b>	
		<b>Period</b>	<b>Position and Institution/Company</b>
<b><u>Holding the position of Company’s executive</u></b> <ul style="list-style-type: none"><li>Secretary of Audit Committee 11 Years 8 Months</li><li>Secretary of Corporate Governance Committee 1 Year</li></ul> <b><u>Age</u></b> <ul style="list-style-type: none"><li>49 Years</li></ul> <b><u>Nationality</u></b> <ul style="list-style-type: none"><li>Thai</li></ul> <b><u>Proportion of shareholding</u></b> <ul style="list-style-type: none"><li>Nil</li></ul> <b><u>Relation to Management</u></b> <ul style="list-style-type: none"><li>Nil</li></ul>	<b><u>Education</u></b> <ul style="list-style-type: none"><li>Master Degree of Business Administration Ramkhamhaeng University</li><li>Bachelor Degree of Business Administration Rangsit University</li></ul> <b><u>Training</u></b> <p>Program “Financial Management ‘s new visual”, “Risk Management in Financial &amp; Accounting”, “IT Audit Practice and update new knowledge” , “Risk Assessment Method for Internal Audit Planning”, “COSO Enterprise Risk Management Integrated Framework”, “Effective Minute Taking”</p> <b><u>Legal Action</u></b> <ul style="list-style-type: none"><li>Nil</li></ul>	2006 - Present	Internal Audit Manager , Secretary of Audit Committee and Secretary of Corporate Governance Committee Yuasa Battery (Thailand) PLC.

## 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

1. 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.
2. The Board of Directors shall control the operation, protect the benefits and fairly disclose the information to all stakeholders.
3. 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.
4. 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.
5. The Board of Directors shall remind of the rights of each stakeholder and shall prevent any conflicts of interest.
6. The Board of Directors shall govern the operation to provide adequate and appropriate risk management and internal control.
7. The Board of Directors shall take charge of the operation to be transparent and to disclose the accurate related information on a timely basis.
8. 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:-

1. The shareholders were given an opportunity to propose agendas of the Shareholders Meeting and names of candidates for directors in advance during September 28<sup>th</sup>, 2017 to December 31<sup>st</sup>, 2017. 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](http://www.yuasathai.com), in the section of "Investment".



## 9. Corporate Governance

2. Participate in the Annual General Shareholders Meeting and Extraordinary General Shareholders Meeting in the event of having special agenda to consider.
3. 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.
4. Remunerations for the Board of Directors, the Audit Committee and the Remuneration Committee are proposed for approval of the shareholders every year.
5. 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](mailto:sukthae@yuasathai.com)
6. 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.
7. 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.
8. Company will provide a specialist to answer questions in case of inquiry by the shareholders.
9. 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:-

1. Each shareholder shall have his votes at equal to total number of shares held, as one share shall be counted one vote.
2. 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](http://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.
3. 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.
4. 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.
5. 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.

## 9. Corporate Governance

At the 2017 Shareholders' Meeting, 9 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;

1. To treat employees fairly and courteously while paying due respect to individuality and human dignity.
2. 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 2017, the Company and its Subsidiary paid THB 3.08 million to the fund.
3. To conduct appointments and rotations and provide rewards and disciplinary actions in good faith on the basis of competence, capability and suitability.
4. To listen to opinions and recommendations based on employees' professional competence.
5. To give priority to skill and knowledge development on a regular and equitable basis.
6. To promote the capability employee by fairness treatment.
7. To comply with all employee-related laws, rules and regulations.
8. To maintain a work environment that does not endanger employees' life or property.
9. To avoid any unfair action that may affect employees' job security or harass or psychologically threaten the employees.
10. 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 confidentially.

#### 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:

1. To report on Company's performance, financial and accounting information and other aspects of its business accurately on a regular basis.
2. To perform their duties loyally and honestly; to make decisions with honesty, prudence, thoroughness and fairness for the maximum benefits to all shareholders equitably.
3. To inform shareholders of both negative and positive aspects of Company on a realistic and timely basis supported with appropriate information and reasons.
4. 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.

## 9. Corporate Governance

### 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:

1. To deliver quality products and services which meet customer's expectations at a fair price
2. 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.
3. 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.
4. To deal with customers in a polite and efficient way and to gain their trust.
5. To safeguard customer confidentiality and to refrain from abusing it for personal interest or for the interest of other parties.
6. 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:

1. 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.
2. Company shall not demand, receive or pay any improper benefits to its trading partners.
3. 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:-

1. Creditors should be treated by fairness and equitability in term of the receive or payment of Company and creditors.
2. 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:

1. Company shall treat competitors within a fair competition framework.
2. Company shall not damage competitors' reputation by abusive accusation.

## 9. Corporate Governance

3. 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:-

1. To develop the quality system of TS16949 or relative and ISO140014 with customers or suppliers.
2. To conduct in line with the regulation and law of environment.
3. 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](mailto:sukthae@yuasathai.com) or 02-769-7300;

To contact the independent directors, through the Secretary to the Audit Committee, [darawan@yuasathai.com](mailto: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

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](http://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.

## 9. Corporate Governance

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 an 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.

## 9. Corporate Governance

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 2017, Assoc.Prof.Dr.Lawan Thanadsillapakul, the director who attended the training courses for The Practical Guide (ACPG 35/2017), Director Dinner Talk (M-DDT 2/2017), Fellow Member Group Meeting (M-FM 1/2017) and Board Matters and Trends (BMT 3/2017) 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 2017, the Company prepared the director's handbook for the new director – Assoc.Prof.Pisit Vatanasomboon.

### 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](http://www.yuasathai.com)

## 9. Corporate Governance

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 4 members, appointed by the Board of Directors' Meeting. 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 5 members was appointed by Board of Directors' Meeting. 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.

#### **• Nomination Committee**

The Board of Directors shall set the Nomination Committee when the nomination of new director is required. In 2017, the Board of Directors' Meeting no.1/2017 resolved to appoint the nomination committee which consists of 3 directors. They have the duty to set the criteria and policy of nominating the independent director by considering from the appropriateness of number, structure and composition of the Board, identifying the qualification of independent director to propose the Board of Directors and/or propose the Shareholders' Meeting for approval, depending on cases and nominating, selecting and proposing the appropriate person for holding the position of independent director whose term of tenure is completed and/or vacancy and/or additional appointment.

#### **• Other Sub-Committees**

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



## 9. Corporate Governance

### 5.10 Recruitment and Appointment of Directors and Management

#### The Appointment of Directors

To propose the appointment of a new director, the Nomination Committee shall be assigned by the Company to propose the appropriate person to the Board of Directors case by case. The procedure of appointing the director is described as follows:-

1. 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.
2. 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.

1. Each shareholder shall have one vote for each share held.
2. 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.
3. 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;

## 9. Corporate Governance

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.

The last Year, details of the audit fee and the other fees are listed as below:-

- **Audit fee**

In 2017, the Company and its Subsidiary paid the audit fee to KPMG Phumchai Audit Company Limited, Company's auditor, at amount of 1.76 million baht. The amount was divided into 1.34 million baht for Yuasa Battery (Thailand) PLC. and 0.42 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

## 10. Corporate Social Responsibility

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 2016

#### 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 2017, the Company had 2 accident cases. No one passed away.

#### 2.2 Improvement of the community and the society

In 2017, the Company participated in several activities with the community, and supported local organizations' activities.

1. Participating the project of giving the presents to Sai-Ngam Village nearby the factory on Children's Day



2. Arranging the project to paint the bridge of Sai-Ngam Village



3. Giving the presents to Sai-Ngam community and Soi Yuasa on Mother's Day





## 10. Corporate Social Responsibility

4. Arranging the project to clean the irrigation canal of Samutprakarn



5. Arranging the afforestation project at Bangpu Recreation Center



6. joining the projects of afforestation, relieving crabs and fishes and offering free food to the attendants with Bangpoo Municipality



7. The Mourning ceremony for the passing of His Majesty the King Rama IX



8. The celebration ceremony of His Majesty the King Rama X



## 10. Corporate Social Responsibility

### 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 2017, the Company has performed in many aspects as follows:-

1. The renovation of old grid building to support the movement of production line, cutting, brushing and plate selection for year 2017 and keeping the plate of production line in the same place for effective control. Moreover, it could help reduce the spread of production line, cutting, brushing and plate selection as well. For the production line, cutting, brushing and plate selection at the new area, the Company has installed the additional air pollution treatment system to reduce the spread of lead effectively.
2. Making the new gutter inside the factory to prevent the waste water from using and producing flowing outside the factory which impacted the people nearby the factory and also to prevent the flood inside the factory in the rainy season. It was a process which has been continued from previous year.
3. Improvement of formation, working area and air pollution treatment system continuously to maintain the quality and working environment which was the improvement from previous year.
4. Reduction of paper and printing ink use. The Company has been determined to reduce the purchasing order of paper and support the employees to use the recycled paper, to communicate by e-mail and to scan the document and keep it in the form of electronics. In addition, the Company tried to seek out the way to reduce the usage of printer installed at each department and printing ink which impacted on employees' health by providing the center printer.

## 11. Internal Control and Risk Management

### The opinion of Board of Directors and Audit Committee

The Board of Directors agreed that internal control system is a tool to decrease risks and damages which might occur in working process and the system could make clear working process. Therefore, the Board of Directors assigned Audit Committee to audit the internal control of the Company. In which, Audit Committee has closely review the internal control system, by managing the meeting at least once in a month to follow up company's internal control system. Once we receive the report from Financial and Accounting Department and audit report from Internal Audit Department, if Audit Committee considers that the information they receive might cause the damage toward the Company, we will invite the responsible department to the meeting to enquire additional information and advise them to handle matters to Board of Directors.

For internal control system of the Company in 2017, Audit Committee had the opinion that our internal control system is sufficient to make any working systems efficient and effective, to make the financial information and report reliable, to have sufficient disclosure as financial standard stated and to follow the related laws and regulations of the Securities and Exchange Commission and Stock Exchange of Thailand including the appropriate behavior of our employees towards laws and regulations. In Board of Directors' meeting 1/2017 on 9<sup>th</sup> February, 2017, Board of Director and Audit Committee considered and evaluated the efficiency of internal control system of the Company and Subsidiary which both Board of Directors and Audit Committee agreed.

However, Audit Committee had additional advices for the more efficient and effective internal system as following:

1) To ensure that the process of hiring constructing company complies with procurement manual and to ensure that inspection of the completion of construction job is clear and accurate, Audit Committee advised the management to review and improve the process of hiring the construction company and clarification of the specified type, category, material, and the standard price of construction in more details. The management has already proceeded as per their request.

2) To ensure that the budget of investment and expense are correct, precise, and easy for the control, Audit Committee advised the management to improve those issues. Now, management has assigned Financial and Accounting Department and IT Department to co-operate with each other and improve those issues.

3) To ensure that the sales rebate of Sales Department to customers is set and implemented clearer, Audit Committee advised the management to make the working process in writing which is in process of making.

Moreover, in 2017, Board of Directors has passed the resolution to join "Thailand's Private Sector Collection Action Coalition Against Corruption". The Chief Executive Officer had the opinion that this project will be successful due to the cooperation from several department, the working committee was formed to prepare and understand the process to join this project. Also, in 2018, the Company will officially submit the application to join the project. The working committee has always reported the progress to the Corporate Governance Committee.

### 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.



## 11. Internal Control and Risk Management

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 3<sup>rd</sup>, 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

In 2017, the Company considered that an operational risk was very important to the operation of the Company, so that we set up the responsible department to evaluate the risk every month. Internal Control Department was assigned by Chief Executive Officer to compile the information and report the result to the Management Committee's meeting every month.

However, the Board of Directors has given the priority of legal compliance to the company realizing that the working process of any department must strictly follow the laws and regulations especially wrongly doing under the Directors Liabilities Act. The Board of Directors was of opinion that the Company must refrain from any legal risk. So, Audit Committee recommended the management to form a working committee to compile the laws and regulations which related to company business and make a checklist to lead legal section for operation and prevent the company and the directors from any illegal action.

## 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
	2016	2017		
- Agreement on borrowing the brand name "Yuasa" Company paid royalty in return for the borrowing. - Company's accrued expense	31.16 31.16	37.00 37.00	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 - Service income	111.67 4.90 19.66 0.11 0.05	130.22 2.48 33.52 0.07 0.71	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.

#### 2. Other transactions between Company and its related companies

Company	Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
		2016	2017		
- Yuasa Battery (Malaysia)	- Company sold batteries - Company's accrued income	128.54 9.34	129.00 20.04	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	1.79 0.42	2.00 0.41	The trading prices were the market's rate.	The transactions were normal; no any trading agreement.
- Siam GS battery Co.,Ltd.	- Company purchased machine - Company had outstanding expense	8.98 1.92	- -	The trading prices were the market's rate.	The transactions were normal, reasonable and fair and in line with the agreement.
- Siam GS Sales Co.,Ltd.	- Company sold batteries - Company's accrued income - Company purchased batteries	11.84 - -	5.56 0.92 1.97	The trading prices were the market's rate.	The transactions were normal; no any trading agreement.
- Siam Battery Shunde Co.,Ltd.	- Company sold batteries - Company's accrued income	0.02 0.02	1.32 0.21	The trading prices were the market's rate.	The transactions were normal; no any trading agreement.
- GS battery Taiwan	- Company sold batteries	-	3.45	The trading prices were the market's rate.	The transactions were normal; no any trading agreement.

#### 3. Estate of Pol.Lt. Chan Manutham

- Relation: Estate of the Manutham Group is the Company's major shareholder, holding 2.49%.

Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
	2016	2017		
- Management benefit expense - Accrued expense of estate	16.00	-	The said expense is considered in line with the working regulation and working period of Chairman of Board of Director	This transaction is approved by shareholders' meeting no.19/2013 to pay the compensation to executor of Ex-Chairman of the Board. The payment divided into 4 times; 4 million baht per time would be done within 4 years. (In 2017, we have paid the expense to the estate already.)

## 13. Summary of Financial Data

### The Company's Operation (Unit: Million Baht)

	Y2013	Y2014	Y2015	Y2016	Y2017
Income from sale	1,735.10	1,668.27	1,754.04	2,082.43	2,327.31
Cost of sales	1,442.83	1,393.54	1,423.59	1,628.54	1,835.57
Gross profit	292.27	274.73	330.45	453.89	491.74
Other incomes	26.95	11.53	8.55	4.52	17.95
Selling and administrative expenses	299.84	291.45	287.94	315.02	370.88
Profit before Finance cost and income tax	19.38	(5.20)	51.06	143.40	138.80
Interest expenses	5.33	5.64	4.55	2.47	0.47
Income tax expense	1.38	1.78	(2.57)	(27.20)	(26.88)
Net profit	15.38	(9.05)	43.94	113.73	111.46
Total assets	925.01	873.39	894.89	1,065.52	1,163.30
Total liabilities	572.34	542.69	519.64	585.26	592.03
Total shareholders' equity	352.67	330.71	375.25	480.26	571.27

### Basic Data Per Share (Unit: Baht per share)

	Y2013	Y2014	Y2015	Y2016	Y2017
Basic earnings per share	0.14	(0.08)	0.41	1.06	1.04
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	3.28	3.07	3.49	4.46	5.31
Par Value	1.00	1.00	1.00	1.00	1.00
Marketing Price	7.00	5.80	6.55	28.25	19.80
Dividend per share	0.03	0.00	0.08	0.08	-

### Financial Ratio

	Y2013	Y2014	Y2015	Y2016	Y2017
Net profit margin (%)	0.88	(0.54)	2.49	5.45	4.75
Return on total assets (%)	1.65	(1.01)	4.97	11.60	10.00
Return on equity (%)	4.44	(2.69)	12.45	26.59	21.20
Dividend payout ratio on profit for the year (%)	20.93	N/A	19.59	17.98	-
Return on revenue from sales (%)	0.88	(0.54)	2.50	5.46	4.79
Debt to equity ratio(Times)	1.62	1.64	1.38	1.22	1.04
Price earnings ratio (Times)	50.00	(72.50)	15.97	26.65	19.04
Average debt collection period (Days)	43	42	43	42	46
Average debt payment period (Days)	80	82	65	68	61

## 14. Management Discussion and Analysis

### Financial Position

#### Total Assets

The Company and its subsidiary had the total assets of 1,163.30 million baht as of December 31<sup>st</sup>, 2017, rose by 97.77 million baht or 9.18 percent from year 2016 as the following reasons; 1) increasing of cash and cash equivalents by 21.32 million baht, 2) increasing of account receivables by 30.53 million baht, 3) increasing of other account receivables by 16.11 million baht, 4) increasing of Inventories by 15.40 million baht, 5) increasing of property, plant and equipment at net amount of 19.12 million baht and 6) increasing of Deferred tax by 1.11 other million baht meanwhile the decreasing of other non-current assets by 5.82 million baht.

For the increasing of the cash and the cash equivalents at the end of 2017, it mainly derived from increasing of net profit from the operation 2017 because of sales increasing by 244.88 million baht or 11.76 percent as well as the appropriate cost control.

For the increasing of property, plant, and equipment, it was derived from investment of building, equipment and machine, and environment in the factory which were implemented from the previous year. Moreover, the total inventory of previous year was increased, mainly derived from price of raw materials which was highly increased from previous year. However, company keeps the number of raw materials for production line at an appropriate level.

#### Total Liabilities

The Company had the total liabilities of 592.03 million baht as of December 31<sup>st</sup>, 2017, increased by 6.76 million baht or 1.16 percent from the previous year as the following reasons; 1) decreasing of short-term loan by 20 million baht from loan payment for a financial institution, 2) decreasing of other current payable by 7.19 million baht, and 3) the decreasing of income tax payable by 3.92 million baht while 1) increasing of trade account payable by 30.04 million baht from the higher order of raw materials for production and expense for sales promotion, 2) increasing from finance leases liabilities by 3.35 million baht, and 3) increasing of the reserve of employee's benefits by 4.47 million baht.

#### Shareholders' Equity

As of December 31<sup>st</sup>, 2017, the Company had the Shareholders' Equity of 571.27 million baht, rose by 91.01 million baht or 18.95 percent compared with the previous year. The reason came from the net profit of Company in 2017 and dividend payment to the shareholders in 2017.

### Cash Flow

At the end of the 2017 accounting period, the Company had net cash flow from operation activities at amount of 116.99 million baht, decreased by 135.15 million baht compared with the previous year. The reasons came from 1) increasing of trade account receivables and other account receivables by 46.09 million baht from sales increasing of replacement market and export market, 2) increasing of inventory by 16.17 million baht from the increasing of raw material when compared with the previous year, and having the appropriate level of inventory for the production, 3) increasing of trade account payable and other account payable by 21.78 million baht from the purchasing volume of raw material and expense of sales promotion, 4) decreasing of employee's benefit obligation by 2.93 million baht from paying the compensation and retirement fund to the employees, 5) decreasing of other current asset by 5.82 million baht, and 6) decreasing of the net profit at 111.46 million baht from the operation 2017 to 113.73 million baht of year 2016, leading to lower cash from the operation.

For cash from investment activities at amount of 73.34 million baht, it was spent for 1) purchasing the fixed assets and intangible assets at amount of 52.64 million baht, 2) temporary investment in government bond at amount of 19.79 million baht and 3) we received money from sales of fixed assets at amount of 0.91 million baht. However, when comparing with 2016, cash was increased from increased investment activities by 1.92 million baht because of an investment of machinery to improve the productivity in the factory in 2017.

## 14. Management Discussion and Analysis

For cash from financing activities at amount of 42.17 million baht, the Company made the short-term loan repayment and interest payment to a financial institution by 21.10 million, made the dividend payment to the shareholders at amount of 20.45 million baht and made the payment of the finance lease liabilities at amount of 1.62 million baht. However, comparing with 2016, cash from financial activities at amount of 39.73 million baht because in 2017, there is no loan after the short-term loan repayment to the financial institution was finished.

### Business Results

In 2017, the Company and its subsidiary had the total income of 2,327.31 million baht, increased by 244.88 million baht or 11.76 percent from year 2016 from sales increasing of replacement market and export market. The Company got gain from foreign exchange rate at amount of 6.99 million baht, increased by 9.66 million baht from year 2016 from the fluctuation of foreign currency. There was also other income at amount of 10.95 million baht, increased by 3.76 million baht from year 2016 from increasing of the reverse of provision for legal claims.

The cost of goods sold; the Company had the cost of goods sold at amount of 1,835.57 million baht or 78.87 percent of total sales. The cost of goods sold was increased from the previous year by 0.67 percent due to the increased price of raw materials.

For the pure lead price which was the main raw material of battery production in 2017, it could be summarized as follows:-

For the price of pure lead from London Metal Exchange (LME), it has been fluctuating every year. In 2017, the average price of lead was at USD 2,317/ton, increased from average price of previous year by USD 446/ton or 23.85 percent. Although the average lead price shall be increased if considering from the average price of each month, it was found that the price was adjusted to increase since the first quarter. However, it will be adjusted to decrease again in the second quarter and it will be adjusted to continuously increase again in second half of the year 2017.

In 2017, the pure lead price was fluctuated from USD 2,236/ton in January to the maximum level of USD 2,508/ton in December. For the average lead price of May-June of 2017, it was at USD 2,131/ton which was lower than the lead price of the first quarter, but it was still higher than the same period of previous year by USD 417/ton or 24.33 percent. In the second half year, the lead price was adjusted to be higher continuously with the average price of fourth quarter at USD 2,493/ton, increased comparing with the same period of previous year.

For the total selling and administrative expenses in year 2017, it was at amount of 370.88 million baht or 15.94 percent of the total sales income, increased by 55.86 million baht or 17.73 percent from year 2016 due to increasing of sales and marketing promotion, excise tax from the new law of excise tax and royalty fee due to the sales increasing.

In 2017, the interest payment was at amount of 0.47 million baht, decreased from the previous year by 2.00 million baht or 81.11 percent. It resulted from the repayment of the short-term loan to the financial institution by 20 million baht which led to lower interest expense.

In conclusion, the Company and its subsidiary had the net comprehensive profit of 111.46 million baht or net profit of 1.04 baht per share in 2016.

### Financial Ratio

The ratio of current capital in 2017 was 1.51 times, rose from the previous year because the current assets increased by 83.36 million baht while the current liabilities decreased by 0.25 million baht only.

The account receivable turnover in 2017 was 8.35 times. The average period of collecting debt was around 44 days, slightly increased from the previous year of 42 days. The period of debt repayment was around 74 days, increased from the previous year of 69 days.

## 14. Management Discussion and Analysis

The gross profit ratio of 2017 was 21.13 percent, decreased from year 2016. The main reason was derived from the price of raw materials which was increased from previous year.

In 2017, the ratio of liabilities per shareholders' equity was 1.04 times, decreased from as of 31 December 2016 of 1.22 times, due to the lower liabilities. However, the shareholders' equity increased from the operation 2017.

Furthermore, in 2017 the coverage ratio of Company considering from the increased interest coverage ratio of 309.91 times compared with the previous year of 114.31 times and increased debt coverage ratio of 4.85 times when compared with the previous year of 5.64 times.

For dividend payment, according to the Annual General Shareholders' Meeting for year 2017 which was held on April 6<sup>th</sup>, 2017, the meeting had the resolution to approve the dividend payment from the performance 2016 to the shareholders at 0.19 baht per share of 107,625,000 shares, totally 20.45 million baht. The dividend was already paid on May 5<sup>th</sup>, 2017. And the Board of Directors' Meeting no. 1/2018 which was held on February 9<sup>th</sup>, 2018 had the resolution to propose the Shareholders' Meeting for year 2017 to pay the dividend to the shareholders from the performance 2017 at 0.24 baht per share of 107,625,000 shares, totally 25.83 million baht.

## 15. Board of Director's Responsibility for Financial Report

The Board of Directors of YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED has prepared the financial statements which discloses the Company's 2017 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 COMPANY 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 31<sup>st</sup>, 2017 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

##### Opinion

I have audited the 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 2017, 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.

In my opinion, the accompanying 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 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

##### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Key Audit Matter

Key audit matter is that matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Valuation of inventories	
Refer to notes 3(f) and 8 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
The Group and the Company had a significant inventory balance of which Lead was a main raw material of battery production. Lead price was then a significant factor of the cost of inventories. In the case of the fluctuation of raw material prices according to the market condition, especially when the prices were adjusted to be higher while the battery prices had not changed, this may result that the net realisable value of inventories is lower than their cost. This matter involves management's judgment and, thus, this is a focus area in my audit.	My audit procedures included an understanding of the pricing policy of goods, the inventory management according to the production plan and the policy to measure the net realisable value of inventories. I performed testing the calculation of the net realisable value and comparing, on a sampled basis, the cost of inventories against expected net realisable value (i.e. selling price in the latest invoice less estimated cost to complete and to make the sale). I also considered the adequacy of disclosures in relation to inventory in accordance with TFRSs.



## 16. Financial Statements

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## 16. Financial Statements

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Sirinuch Vimolsathit)  
Certified Public Accountant  
Registration No. 8413

KPMG Phoomchai Audit Ltd.  
Bangkok  
9 February 2018

## 16. Financial Statements

### Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

#### Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	5	151,275,167	149,833,900	112,946,632	110,996,649
Current investment	6	19,880,841	-	19,880,841	-
Trade accounts receivable	4, 7	293,951,808	263,426,034	373,427,513	355,256,506
Other current receivables	4	28,484,157	12,374,946	27,779,403	12,137,937
Inventories	8	291,269,199	275,865,629	278,968,346	258,839,073
<b>Total current assets</b>		<b>784,861,172</b>	<b>701,500,509</b>	<b>813,002,735</b>	<b>737,230,165</b>
<b>Non-current assets</b>					
Investment in subsidiary	9	-	-	-	-
Investment properties	10	2,542,607	2,688,142	92,000	92,000
Property, plant and equipment	11	359,377,150	339,263,170	358,713,896	338,675,815
Intangible assets		5,228,768	6,076,251	3,652,277	3,832,348
Deferred tax assets	12	10,267,089	9,154,170	6,747,980	5,618,999
Other non-current assets		1,021,446	6,837,826	342,250	6,188,260
<b>Total non-current assets</b>		<b>378,437,060</b>	<b>364,019,559</b>	<b>369,548,403</b>	<b>354,407,422</b>
<b>Total assets</b>		<b>1,163,298,232</b>	<b>1,065,520,068</b>	<b>1,182,551,138</b>	<b>1,091,637,587</b>

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and shareholders' equity		2017	2016	2017	2016
(in Baht)					
<b>Current liabilities</b>					
Short-term borrowings from					
financial institution	13	-	20,000,000	-	20,000,000
Trade accounts payable	4, 14	385,946,686	355,907,406	385,946,686	355,907,406
Other current payables	4, 15	120,781,082	127,977,723	81,586,370	96,321,353
Current portion of finance lease liabilities	13	1,813,593	977,112	1,813,593	977,112
Income tax payable		11,870,202	15,794,945	11,866,589	13,462,380
<b>Total current liabilities</b>		<b>520,411,563</b>	<b>520,657,186</b>	<b>481,213,238</b>	<b>486,668,251</b>
<b>Non-current liabilities</b>					
Finance lease liabilities	13	5,125,630	2,615,760	5,125,630	2,615,760
Provision for employee benefits	16	65,811,728	61,339,456	55,162,479	52,010,412
Other non-current liability		679,196	649,566	-	-
<b>Total non-current liabilities</b>		<b>71,616,554</b>	<b>64,604,782</b>	<b>60,288,109</b>	<b>54,626,172</b>
<b>Total liabilities</b>		<b>592,028,117</b>	<b>585,261,968</b>	<b>541,501,347</b>	<b>541,294,423</b>
<b>Shareholders' equity</b>					
Share capital:	17				
Authorised share capital		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
Share premium					
Share premium on ordinary shares	17	171,075,000	171,075,000	171,075,000	171,075,000
Retained earnings					
Appropriated					
Legal reserve	18	26,906,250	26,906,250	26,906,250	26,906,250
Unappropriated		265,663,865	174,651,850	335,443,541	244,736,914
<b>Total shareholders' equity</b>		<b>571,270,115</b>	<b>480,258,100</b>	<b>641,049,791</b>	<b>550,343,164</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,163,298,232</b>	<b>1,065,520,068</b>	<b>1,182,551,138</b>	<b>1,091,637,587</b>

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

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2017	2016	2017	2016
		(in Baht)			
Revenue from sale of goods	4, 19	2,327,307,922	2,082,431,138	2,274,788,277	2,015,731,236
Cost of sale of goods	4, 8, 21	(1,835,569,297)	(1,628,537,293)	(1,841,803,455)	(1,643,604,891)
<b>Gross profit</b>	19	<b>491,738,625</b>	<b>453,893,845</b>	<b>432,984,822</b>	<b>372,126,345</b>
Net gain (loss) on foreign exchange and derivatives		6,990,804	(2,668,077)	6,990,804	(2,668,077)
Other income	4	10,954,675	7,191,645	12,257,134	8,832,579
Distribution costs	4, 21	(291,094,840)	(246,484,580)	(248,441,000)	(208,843,462)
Administrative expenses	4, 21	(79,786,921)	(68,534,029)	(65,433,332)	(52,244,563)
Finance costs		(465,733)	(2,465,378)	(465,733)	(2,465,378)
<b>Profit before income tax</b>		<b>138,336,610</b>	<b>140,933,426</b>	<b>137,892,695</b>	<b>114,737,444</b>
Income tax expense	22	(26,876,605)	(27,202,081)	(26,738,078)	(27,470,534)
<b>Profit for the year</b>		<b>111,460,005</b>	<b>113,731,345</b>	<b>111,154,617</b>	<b>87,266,910</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Losses on remeasurements of defined benefit plan	16	-	(135,646)	-	(166,036)
Income tax relating to items that will not be reclassified to profit or loss	22	-	27,129	-	33,207
<b>Other comprehensive expense for the year, net of tax</b>		<b>-</b>	<b>(108,517)</b>	<b>-</b>	<b>(132,829)</b>
<b>Total comprehensive income for the year</b>		<b>111,460,005</b>	<b>113,622,828</b>	<b>111,154,617</b>	<b>87,134,081</b>
<b>Profit attributable to:</b>					
Owners of the parent		111,460,005	113,731,345	111,154,617	87,266,910
Non-controlling interests		-	-	-	-
<b>Profit for the year</b>		<b>111,460,005</b>	<b>113,731,345</b>	<b>111,154,617</b>	<b>87,266,910</b>
<b>Total comprehensive income</b>					
<b>attributable to:</b>					
Owners of the parent		111,460,005	113,622,828	111,154,617	87,134,081
Non-controlling interests		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>111,460,005</b>	<b>113,622,828</b>	<b>111,154,617</b>	<b>87,134,081</b>
<b>Basic earnings per share</b>	23	<b>1.04</b>	<b>1.06</b>	<b>1.03</b>	<b>0.81</b>

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 paid share capital	Share premium	Retained earnings		Total shareholders' equity
	Note			Legal reserve (in Baht)	Unappropriated	
<b>Year ended 31 December 2016</b>						
<b>Balance at 1 January 2016</b>		<b>107,625,000</b>	<b>171,075,000</b>	<b>26,906,250</b>	<b>69,638,862</b>	<b>375,245,112</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distributions to owners of the Company</i>						
Dividends	24	-	-	-	(8,609,840)	(8,609,840)
<i>Total distributions to owners of the Company</i>		-	-	-	(8,609,840)	(8,609,840)
<b>Comprehensive income for the year</b>						
Profit		-	-	-	113,731,345	113,731,345
Other comprehensive income		-	-	-	(108,517)	(108,517)
<b>Total comprehensive income for the year</b>		-	-	-	<b>113,622,828</b>	<b>113,622,828</b>
<b>Balance at 31 December 2016</b>		<b>107,625,000</b>	<b>171,075,000</b>	<b>26,906,250</b>	<b>174,651,850</b>	<b>480,258,100</b>

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 paid share capital	Share premium	<div>Retained earnings</div> <div>Legal reserve (in Baht)</div>	Unappropriated	Total shareholders' equity
	Note					
Year ended 31 December 2017						
Balance at 1 January 2017		107,625,000	171,075,000	26,906,250	174,651,850	480,258,100
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends	24	-	-	-	(20,447,990)	(20,447,990)
Total distributions to owners of the Company		-	-	-	(20,447,990)	(20,447,990)
Comprehensive income for the year						
Profit		-	-	-	111,460,005	111,460,005
Total comprehensive income for the year		-	-	-	111,460,005	111,460,005
Balance at 31 December 2017		107,625,000	171,075,000	26,906,250	265,663,865	571,270,115

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

		Seperate financial statements				
		Issued and	Share	Retained earnings		Total
		paid	premium	Legal	Unappropriated	shareholders'
	<i>Note</i>	share capital		reserve		equity
				(in Baht)		
<b>Year ended 31 December 2016</b>						
<b>Balance at 1 January 2016</b>		<b>107,625,000</b>	<b>171,075,000</b>	<b>26,906,250</b>	<b>166,212,673</b>	<b>471,818,923</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distributions to owners of the Company</i>						
Dividends	24	-	-	-	(8,609,840)	(8,609,840)
<i>Total distributions to owners of the Company</i>		-	-	-	(8,609,840)	(8,609,840)
<b>Comprehensive income for the year</b>						
Profit		-	-	-	87,266,910	87,266,910
Other comprehensive income		-	-	-	(132,829)	(132,829)
<b>Total comprehensive income for the year</b>		-	-	-	<b>87,134,081</b>	<b>87,134,081</b>
<b>Balance at 31 December 2016</b>		<b>107,625,000</b>	<b>171,075,000</b>	<b>26,906,250</b>	<b>244,736,914</b>	<b>550,343,164</b>

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

		Seperate financial statements				
		Issued and	Share	Retained earnings		Total
		paid	premium	Legal		shareholders'
	Note	share capital		reserve	Unappropriated	equity
				(in Baht)		
Year ended 31 December 2017						
Balance at 1 January 2017		107,625,000	171,075,000	26,906,250	244,736,914	550,343,164
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends	24	-	-	-	(20,447,990)	(20,447,990)
Total distributions to owners of the Company		-	-	-	(20,447,990)	(20,447,990)
Comprehensive income for the year						
Profit		-	-	-	111,154,617	111,154,617
Total comprehensive income for the year		-	-	-	111,154,617	111,154,617
Balance at 31 December 2017						
		107,625,000	171,075,000	26,906,250	335,443,541	641,049,791

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		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2017	2016	2017	2016
	(in Baht)			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	111,460,005	113,731,345	111,154,617	87,266,910
<b><i>Adjustments to reconcile profit to cash receipts (payments)</i></b>				
Income tax expense	26,876,605	27,202,081	26,738,078	27,470,534
Finance costs	465,733	2,465,378	465,733	2,465,378
Depreciation and amortisation	40,353,083	36,201,351	39,224,146	35,115,083
Impairment losses on investment properties	50,000	-	-	-
Provision for employee benefits	7,400,959	7,604,963	6,055,954	6,375,280
Unrealised loss on exchange rate and derivatives	100,730	4,397,314	100,730	4,397,314
Bad and doubtful debts expenses (reversal of)	(629,353)	1,186,595	(191,517)	141,516
Losses on inventories devaluation	767,341	4,472,590	200,914	4,072,227
Loss (gain) on disposal of property, plant and equipment	(277,586)	677,549	(158,586)	685,744
Write-off of intangible assets	25	29	25	29
Write-off of withholding income tax	-	12,545	-	12,231
Interest income	(93,354)	-	(93,354)	-
	186,474,188	197,951,740	183,496,740	168,002,246
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	(29,983,382)	(44,512,462)	(18,066,451)	(48,768,613)
Other current receivables	(16,109,884)	(3,690,922)	(15,642,139)	(3,484,509)
Inventories	(16,170,911)	11,636,209	(20,330,187)	17,017,134
Other non-current assets	5,816,380	637,019	5,846,010	1,286,586
Trade accounts payable	30,287,499	93,905,453	30,287,499	93,905,453
Other current payables	(8,505,910)	14,121,485	(16,044,253)	8,203,450
Employee benefit paid	(2,928,687)	(4,629,912)	(2,903,887)	(4,608,414)
Other non-current liability	29,630	649,566	-	-
Net cash generated from operating	148,908,923	266,068,176	146,643,332	231,553,333
Income tax paid	(31,914,267)	(13,926,400)	(29,462,849)	(12,786,191)
<b>Net cash flows from operating activities</b>	<b>116,994,656</b>	<b>252,141,776</b>	<b>117,180,483</b>	<b>218,767,142</b>

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		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2017	2016	2017	2016
	(in Baht)			
<b><i>Cash flows from investing activities</i></b>				
Acquisition of current investment	(19,787,487)	-	(19,787,487)	-
Acquisition of property, plant and equipment	(52,993,789)	(50,952,878)	(52,691,030)	(50,483,379)
Proceeds from sale of property, plant and equipment	349,627	228,828	230,577	220,617
Acquisition of intangible assets	(906,356)	(2,193,477)	(767,176)	(2,021,380)
<b>Net cash flows used in investing activities</b>	<b>(73,338,005)</b>	<b>(52,917,527)</b>	<b>(73,015,116)</b>	<b>(52,284,142)</b>
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(101,716)	(2,528,049)	(101,716)	(2,528,049)
Dividend paid	(20,447,990)	(8,609,840)	(20,447,990)	(8,609,840)
Repayment of borrowings	(20,000,000)	(70,000,000)	(20,000,000)	(70,000,000)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(1,621,990)	(759,006)	(1,621,990)	(759,006)
<b>Total cash flows used in financing activities</b>	<b>(42,171,696)</b>	<b>(81,896,895)</b>	<b>(42,171,696)</b>	<b>(81,896,895)</b>
<b>Net increase in cash and cash equivalents,</b>				
before effect of exchange rates	1,484,955	117,327,354	1,993,671	84,586,105
Effect of exchange rate changes on cash and cash equivalents	(43,688)	-	(43,688)	-
<b>Net increase in cash and cash equivalents</b>	<b>1,441,267</b>	<b>117,327,354</b>	<b>1,949,983</b>	<b>84,586,105</b>
Cash and cash equivalents at beginning of period	149,833,900	32,506,546	110,996,649	26,410,544
<b>Cash and cash equivalents at ending of period</b>	<b>151,275,167</b>	<b>149,833,900</b>	<b>112,946,632</b>	<b>110,996,649</b>
<b><i>Non-cash transactions</i></b>				
Payables for acquisition of property, plant and equipment	6,810,147	5,960,000	6,810,147	5,960,000
Payables for acquisition of intangible assets	262,043	-	262,043	-
Equipment acquired by way of finance lease	4,583,776	4,351,878	4,583,776	4,351,878

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

For the year ended 31 December 2017

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**Yuasa Battery (Thailand) Public Company Limited and its Subsidiary****Notes to the financial statements****For the year ended 31 December 2017**

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 9 February 2018.

**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 Company and its subsidiary (“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 (TFRSs); 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 TFRSs effective for annual accounting periods beginning on or after 1 January 2017. The initial application of these new and revised TFRSs has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRSs, the FAP has issued a number of other new and revised TFRSs which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements.

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

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items.

<b>Items</b>	<b>Measurement bases</b>
Derivative financial instruments	Fair value
Defined benefit liabilities	Present value of the defined benefit obligation, as explained in note 3 (n)

**Yuasa Battery (Thailand) Public Company Limited and its Subsidiary****Notes to the financial statements****For the year ended 31 December 2017****(c) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's functional currency.

**(d) Use of judgements and estimates**

The preparation of financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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 assumption and 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 note:

Note 16                      Measurement of defined benefit obligations: key actuarial assumptions

*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 chief financial officer.

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 these valuations meet the requirements of TFRSs, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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 10 - investment properties; and

Note 25 - financial instruments

**Yuasa Battery (Thailand) Public Company Limited and its Subsidiary****Notes to the financial statements****For the year ended 31 December 2017****3 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.

*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*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 arising from the translation are 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.

**Yuasa Battery (Thailand) Public Company Limited and its Subsidiary****Notes to the financial statements****For the year ended 31 December 2017****(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.

**(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 and 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 is calculated using standard cost adjusted to approximate average cost, except factory supplies using weighted average cost principle. Cost 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.

*Investments in other debt securities*

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

*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 the carrying value of the total holding of the investment.

**(h) Investment properties**

Investment properties are properties which are held to earn rental income or 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 properties are measured at cost less accumulated depreciation and impairment losses.



# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

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:

Building and constructions	20	years
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No depreciation is provided on freehold land.

### (i) **Property, plant and equipment**

#### *Recognition and measurement*

##### *Owned assets*

Property, plant and equipment are measured 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.

Any 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 in profit or loss.

##### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the 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:

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

Building and constructions	33	years
Machinery and equipment	10 - 15	years
Furniture, fixtures and office equipment	3 and 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*

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
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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 unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

#### *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.

**Yuasa Battery (Thailand) Public Company Limited and its Subsidiary****Notes to the financial statements****For the year ended 31 December 2017***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 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 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.

**Yuasa Battery (Thailand) Public Company Limited and its Subsidiary****Notes to the financial statements****For the year ended 31 December 2017****(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 are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

**(p) Revenue**

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

*Sale of goods*

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.

*Rental income*

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

*Dividend income*

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

*Interest and other income*

Interest and other income are recognised in profit or loss as they accrue.

**(q) Finance costs**

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

**(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*

**Yuasa Battery (Thailand) Public Company Limited and its Subsidiary****Notes to the financial statements****For the year ended 31 December 2017**

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.

**(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 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 temporary 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.

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### (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.

### 4 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.

Relationship with subsidiary are described in note 9. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
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 Merchants 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 Taiwan Co., Ltd.	Taiwan	Common ultimate parent company
GS Battery Vietnam Co., Ltd.	Vietnam	Common ultimate parent company
Siam GS Battery Co., Ltd.	Thailand	Common ultimate parent company
Siam GS Sales Co., Ltd.	Thailand	Common ultimate parent company
Yuasa Battery (Shunde) Co., Ltd.	China	Common ultimate parent company
Estate of POL.LT.Chan Manuthamma	Thailand	Estate of group of major shareholder
Key management personnel	Thailand, Japan	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
Rental and service income	Contract price
Service income	At agreed price
Purchase of raw materials and goods	Market price
Purchase of machinery and equipment	At agreed price
Royalty fee	Contract price
Dividends paid	As announced

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2017

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

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Revenue from sale of goods	-	-	943,755	912,705
Rental and service income	-	-	1,367	1,367
Service income	-	-	662	587
<b>Other related parties</b>				
Revenue from sale of goods	141,810	145,306	141,810	145,306
Purchase of raw materials and goods	130,215	111,673	128,249	111,673
Purchase of machinery and equipment	1,968	8,974	1,968	8,974
Commission income	2,001	1,792	2,001	1,792
Royalty fee	36,995	31,156	36,995	31,156
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	28,236	21,136	23,633	18,546
Post-employment benefits	1,290	702	724	580
<b>Total key management personnel compensation</b>	<b>29,526</b>	<b>21,838</b>	<b>24,357</b>	<b>19,126</b>

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

<i>Trade accounts receivable - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Yuasa Sales and Distribution Co., Ltd.	-	-	229,599	230,684
<b>Other related parties</b>				
Yuasa Battery (Malaysia) Sdn Bhd.	20,042	9,336	20,042	9,336
Siam GS Sales Co., Ltd.	916	-	916	-
Yuasa Battery (Shunde) Co., Ltd.	214	24	214	24
GS Yuasa International Ltd.	73	107	73	107
<b>Total</b>	<b>21,245</b>	<b>9,467</b>	<b>250,844</b>	<b>240,151</b>
<b>Other current receivables - related parties</b>				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Yuasa Sales and Distribution Co., Ltd.	-	-	288	253
<b>Other related party</b>				
Taiwan Yuasa Battery Co., Ltd.	410	421	410	421
<b>Total</b>	<b>410</b>	<b>421</b>	<b>698</b>	<b>674</b>
<b>Trade accounts payable - related party</b>				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Other related party</b>				
GS Yuasa International Ltd.	33,517	19,658	33,517	19,658



# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### Other current payables - related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<b>Payables for other expense</b>				
<b>Subsidiary</b>				
Yuasa Sales and Distribution Co., Ltd.	-	-	-	25
<b>Payable for fixed assets purchased</b>				
<b>Other related party</b>				
Siam GS Battery Co., Ltd.	-	1,920	-	1,920
<b>Accrued royalty fee</b>				
<b>Other related party</b>				
GS Yuasa International Ltd.	36,995	31,156	36,995	31,156
<b>Accrued management benefit expense</b>				
<b>Other related party</b>				
Estate of POL.LT.Chan Manuthumma	-	16,000	-	12,000
<b>Total</b>	<b>36,995</b>	<b>49,076</b>	<b>36,995</b>	<b>45,101</b>

### Significant agreements with related parties

#### 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.

#### Rental Agreement

On 25 December 2016, the Company entered into a rental agreement with Yuasa Sales and Distribution Co., Ltd. covering its office premises, warehouse space and related facilities with the rental and service income as specified in the agreement. The agreement is for a period of 2 years and shall be renewed on an annual basis.

## 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Cash on hand	78	103	18	33
Cash at banks - current accounts	41	97	3	59
Cash at banks - savings accounts	150,785	148,664	112,926	110,905
Cheques on hand	371	970	-	-
<b>Total</b>	<b>151,275</b>	<b>149,834</b>	<b>112,947</b>	<b>110,997</b>

## 6 Current investment

On 1 September 2017, the Company had current investment which represents government bond that the Company has the positive intent and ability to hold to maturity. Held-to-maturity investment has interest rate of 1.4% per annum and mature in June 2018.

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### 7 Trade accounts receivable

Note	Consolidated financial statements		Separate financial statements	
	2017	2016 (in thousand Baht)	2017	2016
Related parties	4	21,245	250,844	240,151
Other parties		278,925	122,730	115,444
<b>Total</b>		<b>300,170</b>	<b>373,574</b>	<b>355,595</b>
Less allowance for doubtful accounts		(6,218)	(146)	(338)
<b>Net</b>		<b>293,952</b>	<b>373,428</b>	<b>355,257</b>
Bad and doubtful debts expense (reversal of) for the year		(629)	(192)	142

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016 (in thousand Baht)	2017	2016
<b>Related parties</b>				
Within credit terms	21,172	9,467	250,771	240,151
Overdue:				
Less than 3 months	73	-	73	-
	<b>21,245</b>	<b>9,467</b>	<b>250,844</b>	<b>240,151</b>
<b>Other parties</b>				
Within credit terms	236,025	205,385	114,185	91,117
Overdue:				
Less than 3 months	33,752	46,945	8,399	23,989
Over 12 months	9,148	9,840	146	338
	<b>278,925</b>	<b>262,170</b>	<b>122,730</b>	<b>115,444</b>
Less allowance for doubtful accounts	(6,218)	(8,211)	(146)	(338)
	<b>272,707</b>	<b>253,959</b>	<b>122,584</b>	<b>115,106</b>
<b>Net</b>	<b>293,952</b>	<b>263,426</b>	<b>373,428</b>	<b>355,257</b>

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

### 8 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016 (in thousand Baht)	2017	2016
Finished goods	68,571	70,119	55,254	52,583
Work in progress	46,605	39,838	46,605	39,838
Semi-raw materials	50,655	51,671	50,655	51,671
Raw materials	97,009	76,415	97,009	76,415
Factory supplies	24,563	24,915	24,490	24,902
Goods in transit	8,349	16,623	8,349	16,623
<b>Total</b>	<b>295,752</b>	<b>279,581</b>	<b>282,362</b>	<b>262,032</b>
Less allowance for decline in value	(4,483)	(3,715)	(3,394)	(3,193)
<b>Net</b>	<b>291,269</b>	<b>275,866</b>	<b>278,968</b>	<b>258,839</b>
Inventories recognised as an expense in cost of sales of goods				
- Cost	1,834,802	1,624,168	1,841,602	1,639,637
- Write-down to net realisable value	767	4,369	201	3,968
<b>Total</b>	<b>1,835,569</b>	<b>1,628,537</b>	<b>1,841,803</b>	<b>1,643,605</b>
Inventories recognised as a expense in distribution costs				
- Write-down to net realisable value	-	104	-	104

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2017

#### 9 Investment in subsidiary

Investment in subsidiary as at 31 December 2017 and 2016, and dividend income from this investment for the years then ended, were as follows:

	Type of business	Ownership interest		Paid-up capital		Separate financial statements				At cost - net		Dividend income	
		2017	2016	2017	2016	Cost		Impairment		2017	2016	2017	2016
		(%)				2017	2016	2017	2016				
								(in thousand Baht)					
<b>Subsidiary</b>													
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)	-	-	-	-
<b>Total</b>						<b>1,000</b>	<b>1,000</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### 10 Investment properties

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
<b>Cost</b>					
At 1 January		4,281	4,189	92	-
Reclassification from property, plant and equipment	11	-	92	-	92
<b>At 31 December</b>		<b>4,281</b>	<b>4,281</b>	<b>92</b>	<b>92</b>
<b>Depreciation</b>					
At 1 January		1,593	1,497	-	-
Depreciation charge for the year		95	96	-	-
Impairment losses		50	-	-	-
<b>At 31 December</b>		<b>1,738</b>	<b>1,593</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>					
At 1 January		2,688	2,692	92	-
<b>At 31 December</b>		<b>2,543</b>	<b>2,688</b>	<b>92</b>	<b>92</b>

The fair value of investment properties as at 31 December 2017 of Baht 28.2 million (2016: Baht 20.1 million) was determined by independent professional valuers, at open market values on an existing use basis. The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Investment properties comprise a number of commercial properties that are considered for sales and are leased to a third party. The lease contains an initial non-cancellable period of 1 year. Subsequent renewals are negotiated with the lessee. No contingent rents are charged. One property has been transferred from property, plant and equipment (see note 11) to investment property, since the property was no longer used by the Company and as such it was decided that the property would be leased to a third party.

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### 11 Property, plant and equipment

	Consolidated financial statements						Total
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
<b>Cost</b>							
At 1 January 2016	23,433	121,460	792,614	44,999	1,358	7,437	991,301
Additions	4,449	46	8,307	2,905	3,002	38,697	57,406
Transfers	-	5,425	9,105	4,478	-	(19,008)	-
Transfer to investment property	(92)	-	-	-	-	-	(92)
Disposals/ adjustments	-	-	(28,472)	(3,909)	-	(154)	(32,535)
<b>At 31 December 2016 and 1 January 2017</b>	<b>27,790</b>	<b>126,931</b>	<b>781,554</b>	<b>48,473</b>	<b>4,360</b>	<b>26,972</b>	<b>1,016,080</b>
Additions	-	474	11,847	5,620	4,584	35,902	58,427
Transfers	-	16,305	35,608	435	-	(52,348)	-
Disposals	-	(21)	(4,827)	(938)	(602)	-	(6,388)
<b>At 31 December 2017</b>	<b>27,790</b>	<b>143,689</b>	<b>824,182</b>	<b>53,590</b>	<b>8,342</b>	<b>10,526</b>	<b>1,068,119</b>
<b>Depreciation</b>							
At 1 January 2016	-	43,376	594,324	34,721	1,358	-	673,779
Depreciation charge for the year	-	3,071	27,320	3,744	378	-	34,513
Disposals	-	-	(27,582)	(3,893)	-	-	(31,475)
<b>At 31 December 2016 and 1 January 2017</b>	<b>-</b>	<b>46,447</b>	<b>594,062</b>	<b>34,572</b>	<b>1,736</b>	<b>-</b>	<b>676,817</b>
Depreciation charge for the year	-	3,442	29,003	4,850	947	-	38,242
Disposals	-	(8)	(4,769)	(938)	(602)	-	(6,317)
<b>At 31 December 2017</b>	<b>-</b>	<b>49,881</b>	<b>618,296</b>	<b>38,484</b>	<b>2,081</b>	<b>-</b>	<b>708,742</b>

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

Consolidated financial statements							
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
<b>Net book value</b>							
<b>At 1 January 2016</b>							
Owned assets	<u>23,433</u>	<u>78,084</u>	<u>198,290</u>	<u>10,278</u>	<u>-</u>	<u>7,437</u>	<u>317,522</u>
<b>At 31 December 2016 and 1 January 2017</b>							
Owned assets	27,790	80,484	186,322	13,901	-	26,972	335,469
Assets under finance leases	<u>-</u>	<u>-</u>	<u>1,170</u>	<u>-</u>	<u>2,624</u>	<u>-</u>	<u>3,794</u>
	<u>27,790</u>	<u>80,484</u>	<u>187,492</u>	<u>13,901</u>	<u>2,624</u>	<u>26,972</u>	<u>339,263</u>
<b>At 31 December 2017</b>							
Owned assets	27,790	93,808	204,851	15,106	-	10,526	352,081
Assets under finance leases	<u>-</u>	<u>-</u>	<u>1,035</u>	<u>-</u>	<u>6,261</u>	<u>-</u>	<u>7,296</u>
	<u>27,790</u>	<u>93,808</u>	<u>205,886</u>	<u>15,106</u>	<u>6,261</u>	<u>10,526</u>	<u>359,377</u>

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

	Separate financial statements						Total
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
<b>Cost</b>							
At 1 January 2016	23,433	121,460	792,614	41,236	757	7,211	986,711
Additions	4,449	46	8,307	2,640	3,002	38,697	57,141
Transfers	-	5,425	9,105	4,478	-	(19,008)	-
Transfer to investment property	(92)	-	-	-	-	-	(92)
Disposals	-	-	(28,472)	(3,690)	-	-	(32,162)
<b>At 31 December 2016 and 1 January 2017</b>	<b>27,790</b>	<b>126,931</b>	<b>781,554</b>	<b>44,664</b>	<b>3,759</b>	<b>26,900</b>	<b>1,011,598</b>
Additions	-	473	11,847	5,318	4,584	35,902	58,124
Transfers	-	16,305	35,608	363	-	(52,276)	-
Disposals	-	(21)	(4,827)	(562)	-	-	(5,410)
<b>At 31 December 2017</b>	<b>27,790</b>	<b>143,688</b>	<b>824,182</b>	<b>49,783</b>	<b>8,343</b>	<b>10,526</b>	<b>1,064,312</b>
<b>Depreciation</b>							
At 1 January 2016	-	43,376	594,324	31,420	757	-	669,877
Depreciation charge for the year	-	3,071	27,320	3,532	378	-	34,301
Disposals	-	-	(27,582)	(3,674)	-	-	(31,256)
<b>At 31 December 2016 and 1 January 2017</b>	<b>-</b>	<b>46,447</b>	<b>594,062</b>	<b>31,278</b>	<b>1,135</b>	<b>-</b>	<b>672,922</b>
Depreciation charge for the year	-	3,442	29,003	4,623	947	-	38,015
Disposals	-	(8)	(4,769)	(562)	-	-	(5,339)
<b>At 31 December 2017</b>	<b>-</b>	<b>49,881</b>	<b>618,296</b>	<b>35,339</b>	<b>2,082</b>	<b>-</b>	<b>705,598</b>



# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

Separate financial statements							
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
<b>Net book value</b>							
<b>At 1 January 2016</b>							
Owned assets	<u>23,433</u>	<u>78,084</u>	<u>198,290</u>	<u>9,816</u>	<u>-</u>	<u>7,211</u>	<u>316,834</u>
<b>At 31 December 2016 and 1 January 2017</b>							
Owned assets	27,790	80,484	186,322	13,386	-	26,900	334,882
Assets under finance leases	<u>-</u>	<u>-</u>	<u>1,170</u>	<u>-</u>	<u>2,624</u>	<u>-</u>	<u>3,794</u>
	<u>27,790</u>	<u>80,484</u>	<u>187,492</u>	<u>13,386</u>	<u>2,624</u>	<u>26,900</u>	<u>338,676</u>
<b>At 31 December 2017</b>							
Owned assets	27,790	93,807	204,851	14,444	-	10,526	351,418
Assets under finance leases	<u>-</u>	<u>-</u>	<u>1,035</u>	<u>-</u>	<u>6,261</u>	<u>-</u>	<u>7,296</u>
	<u>27,790</u>	<u>93,807</u>	<u>205,886</u>	<u>14,444</u>	<u>6,261</u>	<u>10,526</u>	<u>358,714</u>

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2017

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2017 amounted to Baht 434.4 million and Baht 431.8 million, respectively (2016: Baht 407.0 million and Baht 403.6 million, respectively).

#### Security

At 31 December 2017, the Group's and the Company's land and constructions thereon with a mortgage value of Baht 30 million (2016: Baht 30 million) have been mortgaged as collateral for some credit facilities obtained from a financial institution (see note 13).

#### Transfer to investment property

During 2016, an asset was transferred to investment property (see note 10), because it was no longer used by the Company and it was decided that the asset would be leased to a third party.

## 12 Deferred tax

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

Consolidated financial statements				
	Assets		Liabilities	
	2017	2016	2017	2016
	(in thousand Baht)			
Total	15,472	15,790	(5,205)	(6,636)
Set off of tax	(5,205)	(6,636)	5,205	6,636
<b>Net deferred tax assets</b>	<b>10,267</b>	<b>9,154</b>	<b>-</b>	<b>-</b>

Separate financial statements				
	Assets		Liabilities	
	2017	2016	2017	2016
	(in thousand Baht)			
Total	11,953	12,255	(5,205)	(6,636)
Set off of tax	(5,205)	(6,636)	5,205	6,636
<b>Net deferred tax assets</b>	<b>6,748</b>	<b>5,619</b>	<b>-</b>	<b>-</b>

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

Consolidated financial statements				
(Charged) / credited to:				
	At 1 January 2017	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December 2017
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,317	(181)	-	1,136
Allowance for decline in value	743	154	-	897
Provision for employee benefits	12,268	888	-	13,156
Provision for legal claims	487	(487)	-	-
Derivative liabilities	489	(447)	-	42
Others	486	(245)	-	241
<b>Total</b>	<b>15,790</b>	<b>(318)</b>	<b>-</b>	<b>15,472</b>

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

	At 1 January 2017	Consolidated financial statements (Charged) / credited to:		At 31 December 2017
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax liabilities</b>				
Depreciation gap	(6,596)	1,462	-	(5,134)
Finance leases	(40)	(31)	-	(71)
<b>Total</b>	<b>(6,636)</b>	<b>1,431</b>	<b>-</b>	<b>(5,205)</b>
<b>Net</b>	<b>9,154</b>	<b>1,113</b>	<b>-</b>	<b>10,267</b>

	At 1 January 2016	Consolidated financial statements (Charged) / credited to:		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	90	1,227	-	1,317
Allowance for decline in value	267	476	-	743
Provision for employee benefits	10,016	2,225	27	12,268
Provision for legal claims	445	42	-	487
Derivative liabilities	-	489	-	489
Others	-	486	-	486
<b>Total</b>	<b>10,818</b>	<b>4,945</b>	<b>27</b>	<b>15,790</b>
<b>Deferred tax liabilities</b>				
Depreciation gap	(1,969)	(4,627)	-	(6,596)
Finance leases	-	(40)	-	(40)
<b>Total</b>	<b>(1,969)</b>	<b>(4,667)</b>	<b>-</b>	<b>(6,636)</b>
<b>Net</b>	<b>8,849</b>	<b>278</b>	<b>27</b>	<b>9,154</b>

	At 1 January 2017	Separate financial statements (Charged) / credited to:		At 31 December 2017
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	38	(38)	-	-
Allowance for decline in value	639	40	-	679
Investment in subsidiary	200	-	-	200
Provision for employee benefits	10,402	630	-	11,032
Provision for legal claims	487	(487)	-	-
Derivative liabilities	489	(447)	-	42
<b>Total</b>	<b>12,255</b>	<b>(302)</b>	<b>-</b>	<b>11,953</b>
<b>Deferred tax liabilities</b>				
Depreciation gap	(6,596)	1,462	-	(5,134)
Finance leases	(40)	(31)	-	(71)
<b>Total</b>	<b>(6,636)</b>	<b>1,431</b>	<b>-</b>	<b>(5,205)</b>
<b>Net</b>	<b>5,619</b>	<b>1,129</b>	<b>-</b>	<b>6,748</b>

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

	At 1 January 2016	Separate financial statements (Charged) / credited to:		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	90	(52)	-	38
Allowance for decline in value	267	372	-	639
Investment in subsidiary	200	-	-	200
Provision for employee benefits	10,016	353	33	10,402
Provision for legal claims	445	42	-	487
Derivative liabilities	-	489	-	489
<b>Total</b>	<b>11,018</b>	<b>1,204</b>	<b>33</b>	<b>12,255</b>
<b>Deferred tax liabilities</b>				
Depreciation gap	(1,969)	(4,627)	-	(6,596)
Finance leases	-	(40)	-	(40)
<b>Total</b>	<b>(1,969)</b>	<b>(4,667)</b>	<b>-</b>	<b>(6,636)</b>
<b>Net</b>	<b>9,049</b>	<b>(3,463)</b>	<b>33</b>	<b>5,619</b>

### 13 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<b>Current</b>				
Short-term loans from financial institution - unsecured	-	20,000	-	20,000
Current portion of finance lease liabilities	1,814	977	1,814	977
<b>Total current interest-bearing liabilities</b>	<b>1,814</b>	<b>20,977</b>	<b>1,814</b>	<b>20,977</b>
<b>Non-current</b>				
Finance lease liabilities	5,126	2,616	5,126	2,616
<b>Total interest-bearing liabilities</b>	<b>6,940</b>	<b>23,593</b>	<b>6,940</b>	<b>23,593</b>

As at 31 December 2016, the Company had promissory notes from a financial institution of Baht 20 million, carrying interest rate of 3.75% per annum which was repaid in February 2017.

As at 31 December 2017, the Company had unutilised facilities with certain financial institutions totalling Baht 712.8 million (2016: Baht 637.3 million), which some facilities from a financial institution of Baht 137.5 million (2016: Baht 137.5 million) were mortgaged by land and constructions thereon (see note 11).

As at 31 December 2017, a subsidiary had unutilised facilities with a financial institution of Baht 5 million (2016: Baht 5 million) which was guaranteed by the parent company.

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements/ Separate financial statements					
	2017		Present value of minimum lease payments (in thousand Baht)	2016		Present value of minimum lease payments
	Future minimum lease payments	Interest		Future minimum lease payments	Interest	
Within one year	2,319	(505)	1,814	1,171	(194)	977
After one year but within five years	5,898	(772)	5,126	2,926	(310)	2,616
<b>Total</b>	<b>8,217</b>	<b>(1,277)</b>	<b>6,940</b>	<b>4,097</b>	<b>(504)</b>	<b>3,593</b>

The Company entered into finance lease contracts covering its equipment and vehicles. These contracts are for periods of 3 and 5 years which will expire in various dates in 2018 to 2022. Under the terms of the contracts, the Company must comply with certain conditions covering the leased assets.

### 14 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
Related party	4	33,517	19,658	33,517	19,658
Other parties		352,430	336,249	352,430	336,249
<b>Total</b>		<b>385,947</b>	<b>355,907</b>	<b>385,947</b>	<b>355,907</b>

### 15 Other current payables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
<b>Related parties</b>	4	<b>36,995</b>	<b>49,076</b>	<b>36,995</b>	<b>45,101</b>
<b>Other parties</b>					
Accrued operating expenses		66,500	53,753	29,830	27,617
Advance received		3,351	9,260	2,663	8,925
Payable for fixed assets purchased		7,072	4,040	7,072	4,040
Payable for the Revenue Department		5,322	5,563	3,726	4,578
Derivative liabilities		210	2,447	210	2,447
Provision for legal claims		-	2,433	-	2,433
Others		1,331	1,406	1,090	1,180
<b>Total</b>		<b>120,781</b>	<b>127,978</b>	<b>81,586</b>	<b>96,321</b>

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 4.7 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. During March 2017, the case has been finalised and the Supreme Court judged the Company to pay the compensation and interest totalling of Baht 1.0 million and reimbursed the remaining deposit to the Company. In this regards, the Company reversed a balance of provision for legal claims during 2017.

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2017

#### 16 Provision for employee benefits

Provision for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<b>Statement of financial position</b>				
<b>Provision for:</b>				
Post-employment benefits	64,649	60,251	54,066	50,999
Other long-term employee benefits	1,163	1,088	1,096	1,011
<b>Total</b>	<b>65,812</b>	<b>61,339</b>	<b>55,162</b>	<b>52,010</b>

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<b>Year ended 31 December</b>				
<b>Statement of comprehensive income:</b>				
<b>Recognised in profit or loss:</b>				
Post-employment benefits	7,140	7,497	5,810	6,285
Other long-term employee benefits	261	108	246	90
<b>Total</b>	<b>7,401</b>	<b>7,605</b>	<b>6,056</b>	<b>6,375</b>

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<b>Recognised in other comprehensive income:</b>				
Actuarial losses recognised in the year	-	(136)	-	(166)
Cumulative actuarial gains (losses) recognised	596	596	(556)	(556)

#### Defined benefit plan

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.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements 2017		Separate financial statements 2017	
	2016		2016	
	(in thousand Baht)			
At 1 January	61,339	58,229	52,010	50,078
<b>Included in profit or loss</b>	<b>20</b>			
Current service costs	5,548	5,794	4,485	4,836
Interest on obligation	1,853	1,934	1,571	1,663
Actuarial gains	-	(123)	-	(124)
	7,401	7,605	6,056	6,375
<b>Included in other comprehensive income</b>				
Actuarial losses	-	136	-	166
<b>Other</b>				
Benefits paid	(2,928)	(4,631)	(2,904)	(4,609)
<b>At 31 December</b>	<b>65,812</b>	<b>61,339</b>	<b>55,162</b>	<b>52,010</b>

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2017

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	2,188	-	2,220
Financial assumptions	-	(4,084)	-	(3,280)
Experience adjustment	-	1,760	-	894
<b>Total</b>	<b>-</b>	<b>(136)</b>	<b>-</b>	<b>(166)</b>

#### Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(%)</i>			
Discount rate	3.02 and 3.18	3.02 and 3.18	3.18	3.18
Future salary growth	5.00	5.00	5.00	5.00
Turnover rate	0 - 17	0 - 17	0 - 17	0 - 17

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

At 31 December 2017, the weighted-average duration of the defined benefit obligation was 14.73 years (2016: 14.73 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)			
At 31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(6,420)	7,501	(5,299)	6,194
Future salary growth (1% movement)	6,253	(5,423)	5,038	(4,359)
Turnover rate (1% movement)	(5,351)	2,246	(4,659)	1,939

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
At 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5,898)	6,906	(4,867)	5,697
Future salary growth (1% movement)	5,619	(4,855)	4,501	(3,881)
Turnover rate (1% movement)	(4,941)	2,148	(4,292)	1,843

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.

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### 17 Share capital

	Par value per share (in Baht)	2017		2016	
		Number	Baht (thousand shares / thousand Baht)	Number	Baht
<b>Authorised</b>					
At 1 January					
- ordinary shares	1	107,625	107,625	107,625	107,625
<b>At 31 December</b>					
- ordinary shares	1	<b>107,625</b>	<b>107,625</b>	<b>107,625</b>	<b>107,625</b>
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	107,625	107,625	107,625	107,625
<b>At 31 December</b>					
- ordinary shares	1	<b>107,625</b>	<b>107,625</b>	<b>107,625</b>	<b>107,625</b>

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.

### 18 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.



# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### 19 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 other products than batteries for automobiles and motorcycles. Information regarding the revenue from each customer 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
External revenue	708,855	534,336	996,275	979,405	589,566	541,739	32,612	26,951	2,327,308	2,082,431
Internal revenue	-	-	943,292	912,280	-	-	463	425	943,755	912,705
<b>Total revenue</b>	<b>708,855</b>	<b>534,336</b>	<b>1,939,567</b>	<b>1,891,685</b>	<b>589,566</b>	<b>541,739</b>	<b>33,075</b>	<b>27,376</b>	<b>3,271,063</b>	<b>2,995,136</b>
Elimination of internal revenue	-	-	(943,292)	(912,280)	-	-	(463)	(425)	(943,755)	(912,705)
<b>Consolidated revenue</b>	<b>708,855</b>	<b>534,336</b>	<b>996,275</b>	<b>979,405</b>	<b>589,566</b>	<b>541,739</b>	<b>32,612</b>	<b>26,951</b>	<b>2,327,308</b>	<b>2,082,431</b>
Cost of sales	(549,881)	(441,534)	(758,115)	(705,312)	(504,607)	(460,585)	(22,966)	(21,106)	(1,835,569)	(1,628,537)
<b>Consolidated gross profit</b>	<b>158,974</b>	<b>92,802</b>	<b>238,160</b>	<b>274,093</b>	<b>84,959</b>	<b>81,154</b>	<b>9,646</b>	<b>5,845</b>	<b>491,739</b>	<b>453,894</b>

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### Geographical segments

The Group is managed and operates manufacturing facilities and sales offices only in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

### Geographical information

	Revenues	
	2017	2016
	(in thousand Baht)	
Thailand	1,740,615	1,544,309
Other countries	586,693	538,122
<b>Total</b>	<b>2,327,308</b>	<b>2,082,431</b>

### Major customer

Revenues from a customer of the Group's segments represents approximately Baht 452.2 million (2016: Baht 344.8 million) of the Group's total revenues.

## 20 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
Salaries, wages and bonus		266,536	256,728	244,683	234,156
Defined benefit plans	16	7,401	7,605	6,056	6,375
Defined contribution plans		3,077	2,801	2,710	2,468
Director's remuneration		7,503	5,361	7,503	5,361
Others		25,015	24,082	22,349	21,570
<b>Total</b>		<b>309,532</b>	<b>296,577</b>	<b>283,301</b>	<b>269,930</b>

### 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.

## 21 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 TFRSs were as follows:

accordance with the requirements of various Thai laws were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
<b>Included in cost of sales of goods:</b>					
Changes in inventories of finished good and work in progress	8	(4,263)	9,001	(8,422)	14,382
Raw material and consumables used		1,334,782	1,119,139	1,334,782	1,119,139
Purchase of finished goods		104,930	96,748	102,965	96,748
Scrap sale		(111,026)	(72,918)	(98,100)	(62,831)
Employee benefit expenses	20	227,718	219,526	227,718	219,526
Utilities expenses		66,231	64,074	66,231	64,074
Depreciation and amortisation		34,919	32,093	34,919	32,093
Repair and maintenance expenses		33,049	33,109	33,049	33,109
Others		149,229	127,765	148,661	127,365
<b>Total</b>		<b>1,835,569</b>	<b>1,628,537</b>	<b>1,841,803</b>	<b>1,643,605</b>

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
<b>Included in distribution costs:</b>					
Excise tax		177,088	147,130	177,088	147,130
Royalty fee	4	36,995	31,156	36,995	31,156
Employee benefit expenses	20	25,846	25,139	9,616	9,788
Transportation expenses		23,575	22,728	13,389	12,843
Others		27,591	20,332	11,353	7,926
<b>Total</b>		<b>291,095</b>	<b>246,485</b>	<b>248,441</b>	<b>208,843</b>
<b>Included in administrative expenses:</b>					
Employee benefit expenses	20	55,968	51,912	45,967	40,616
Professional fees		4,693	4,219	4,256	3,801
Depreciation and amortisation		5,347	4,036	4,218	2,948
Rental expenses		2,030	2,350	2,030	2,350
Others		11,749	6,017	8,962	2,530
<b>Total</b>		<b>79,787</b>	<b>68,534</b>	<b>65,433</b>	<b>52,245</b>

## 22 Income tax

### Income tax recognised in profit of loss

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
<b>Current tax expense</b>					
Current year		28,089	27,480	27,966	24,008
Adjustment for prior years		(99)	-	(99)	-
		<u>27,990</u>	<u>27,480</u>	<u>27,867</u>	<u>24,008</u>
<b>Deferred tax expense</b>					
Movements in temporary differences	12	(1,113)	(278)	(1,129)	3,463
<b>Total income tax expense</b>		<u>26,877</u>	<u>27,202</u>	<u>26,738</u>	<u>27,471</u>

### Income tax recognised in other comprehensive income

Consolidated financial statements					
	2017		2016		
	Tax		Tax		
	(expense)	Net of	(expense)	Net of	
	benefit	tax	benefit	tax	
		(in thousand Baht)			
Defined benefit plan actuarial losses	-	-	(136)	27	(109)
<b>Separate financial statements</b>					
	2017		2016		
	Tax		Tax		
	(expense)	Net of	(expense)	Net of	
	benefit	tax	benefit	tax	
		(in thousand Baht)			
Defined benefit plan actuarial losses	-	-	(166)	33	(133)
<b>Reconciliation of effective tax rate</b>					

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

Consolidated financial statements				
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		138,337		140,933
Income tax using the Thai corporation tax rate	20	27,667	20	28,187
Expense additionally deductible for tax purpose		(1,231)		(1,188)
Utilisation of previously unrecognised tax losses		-		(899)
Reversal of recognised deferred tax		403		1,004
Expenses not deductible for tax purpose		121		107
Over provided in prior year		(99)		-
Temporary differences for which no deferred tax was recognised and others		16		(9)
<b>Total</b>	<b>19</b>	<b>26,877</b>	<b>19</b>	<b>27,202</b>

Separate financial statements				
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		137,893		114,737
Income tax using the Thai corporation tax rate	20	27,578	20	22,947
Expense additionally deductible for tax purpose		(1,211)		(1,169)
Reversal of recognised deferred tax		403		5,600
Expenses not deductible for tax purpose		67		93
Over provided in prior year		(99)		-
<b>Total</b>	<b>19</b>	<b>26,738</b>	<b>24</b>	<b>27,471</b>

### Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

## 23 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit 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	
	2017	2016	2017	2016
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	111,460	113,731	111,155	87,267
Number of ordinary shares outstanding	107,625	107,625	107,625	107,625
<b>Earnings per share (basic) (in Baht)</b>	<b>1.04</b>	<b>1.06</b>	<b>1.03</b>	<b>0.81</b>

## 24 Dividends

At the annual general meeting of the shareholders of the Company held on 6 April 2017, the shareholders approved the appropriation of dividend of Baht 0.19 per share, amounting to Baht 20.45 million. The dividend was paid to shareholders during May 2017.

At the annual general meeting of the shareholders of the Company held on 8 April 2016, the shareholders approved the appropriation of dividend of Baht 0.08 per share, amounting to Baht 8.61 million. The dividend was paid to shareholders during May 2016.

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### 25 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 13). However, the Group mitigates the risk by ensuring that the majority of its borrowings are at fixed interest rates, which are based on market rates such as the interest prime rate of commercial banks.

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

	Effective interest rates (% per annum)	Consolidated and separate financial statements				Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years		
<b>2016</b>						
<b>Current</b>						
Short-term borrowings from financial institution	3.75	20,000	-	-		20,000
<b>Total</b>		<b>20,000</b>	<b>-</b>	<b>-</b>		<b>20,000</b>

#### 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	
	2017	2016	2017	2016
	(in thousand Baht)			
<b>United States Dollars</b>				
Cash and cash equivalents	575	2,731	575	2,731
Trade accounts receivable	58,195	57,511	58,195	57,511
Other current receivables	410	421	410	421
Trade accounts payable	(44,746)	(212,791)	(44,746)	(212,791)

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Other current payables	(445)	(1,702)	(445)	(1,702)
<b>Gross statement of financial position exposure</b>	<b>13,989</b>	<b>(153,830)</b>	<b>13,989</b>	<b>(153,830)</b>
Currency forwards	32,555	86,790	32,555	86,790
<b>Net exposure</b>	<b>46,544</b>	<b>(67,040)</b>	<b>46,544</b>	<b>(67,040)</b>
<b>Japanese Yen</b>				
Trade accounts payable	(7,541)	(1,600)	(7,541)	(1,600)
<b>Gross statement of financial position exposure</b>	<b>(7,541)</b>	<b>(1,600)</b>	<b>(7,541)</b>	<b>(1,600)</b>
Currency forwards	-	-	-	-
<b>Net exposure</b>	<b>(7,541)</b>	<b>(1,600)</b>	<b>(7,541)</b>	<b>(1,600)</b>

### 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. 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 from its debt collection in excess of amount which an allowance for doubtful accounts was 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.

### Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Carrying amount is a reasonable approximation of fair value.		<b>Consolidated financial statements/ Separate financial statements</b>			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
<b>31 December 2017</b>					
<b>Financial assets/Financial liabilities measured at fair value</b>					
Derivative liabilities	210	-	210	-	210
		<b>Consolidated financial statements/ Separate financial statements</b>			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
<b>31 December 2016</b>					
<b>Financial assets/Financial liabilities measured at fair value</b>					
Derivative liabilities	2,447	-	2,447	-	2,447

# Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2017

### Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 2(d).

### Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

## 26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<b>Capital commitments</b>				
<i>Contracted but not provided for</i>				
Building and constructions	3,282	2,901	3,282	2,901
Machinery and equipment	2,448	5,808	2,448	5,808
Office equipment	630	273	630	115
Computer software	-	504	-	504
<b>Total</b>	<b>6,360</b>	<b>9,486</b>	<b>6,360</b>	<b>9,328</b>
<b>Future minimum lease payment under non-cancellable operating lease</b>				
Within one year	4,267	5,539	4,066	5,287
After one year but within five years	1,626	5,605	1,612	5,390
<b>Total</b>	<b>5,893</b>	<b>11,144</b>	<b>5,678</b>	<b>10,677</b>
<b>Other commitments</b>				
Bank guarantees	7,169	8,446	7,169	8,446

As at 31 December 2017, the Group had;

- operating lease agreements covering warehouse, factory equipment, office equipment and vehicles for the Company and covering office equipment and vehicles for a subsidiary for periods of 1 to 7 years, which will expire in various dates in 2018 to 2020.
- letter of guarantees issued by financial institutions in favour of the Company for the use of electricity and for performance bonds guarantee.
- purchase order accepted by suppliers of the Company for purchase of raw materials for a total quantity of 9,074 MT (2016: 1,500 MT), at the prices as determined in purchase order that will be delivered during 2018 (2016: during 2017).

## 27 Contingent liabilities

As at 31 December 2017, the Company had;

- guaranteed unutilised bank overdrafts for subsidiary in amount of Baht 5 million (2016: Baht 5 million).
- guaranteed rental agreements for subsidiary in amount of Baht 0.07 million (2016: Baht 0.19 million).

## 28 Events after the reporting period

At the Board of Directors' meeting held on 9 February 2018, the directors resolved to propose the dividend payment at Baht 0.24 per share. The dividend payment shall be approved by its shareholders at the annual general meeting of the shareholders.



