



รายงานประจำปี บริษัท ยัวซ่าแบตเตอรี่ ประเทศไทย จำกัด (มหาชน)
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Annual Report
YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED





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1. Message from Chairman of the Board of Directors



In the year 2014, the Company faced a domestic economic slowdown, the automotive market stagnation after the end of the government first-car scheme, lower demand in the market, high competition in the battery market, both domestic and export markets. As a result, sales and gross profit decreased compared to 2013 because the Company needed reducing the selling price to sustain our business in the market.

Although in the last year, the factors from both domestic and external factors have impacted on earnings, the Company tried to address such suffering by continuing to improve the efficiency of the production of batteries by reducing the number of machine downtime, losses from any production process, and by investing in machine, building and equipment. Furthermore, the Company also diversified source of battery that we could sell and compete with other battery makers by the purchase or import batteries from affiliates or network of GS Yuasa International Limited who is the parent company, in domestic and ASEAN countries.

As for the year of 2014, the Company gained revenues from sales totaling 1,668.27 million baht that reduces from the lower sales in original equipment and replacement equipment markets. And other incomes was 11.53 million baht. The cost of sales was 1,393.21 million baht while the selling and administrative expenses, including financial cost, were 295.58 million baht. All of these led to the net loss totaling 7.47 million baht for the year.

In 2015, the Company commit to produce high quality batteries based on the customer demand, to expand the domestic and overseas customer base to apply new technologies to the production system to enhance the production potential and also to focus on to be good for society and neighboring community, as well as to pay an attention for good environment.

On behalf of Board of Director, Management and employees, the Company would like to thank the shareholders, the customers and the business partners for their continuous support in all aspects. The Management and employees would jointly dedicate to work for continuously development and sustainability for the benefit of all stakeholders.

On behalf of Directors

(Katsumi Nakato)

Chairman of the Board of Directors (Acting)



2. Report of the Audit Committee

The Audit Committee of Yuasa Battery (Thailand) Public Company Limited was comprised of 4 independent directors, namely Dr. Kusaya Leerahawong, Mr. Yothin Vimoohtayon, Mr. Prasert Kitisakkul and Asst.Prof.Dr. Lawan Thanadsillapakul, and was chaired by Dr. Kusaya Leerahawong who resigned as the Directors of the Company from January 1st, 2015. Then, Asst.Prof.Dr. Lawan Thanadsillapakul was proposed by the Audit Committee to be the Chairman. The appointment was approved by the Board of Directors on January 27th, 2015.

The Audit Committee performed the duties under the scope of duties and responsibilities assigned by the Board of Directors. In 2014, there were 12 Audit Committee meetings. 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 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 risks which might be occurred;
3. Considering the related transactions by reviewing the transactions which might cause the Company a conflict of interest, pursuant to the Company's 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.

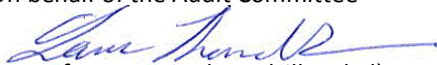
Having considering the abovementioned issues, the Audit Committee was of the opinion that the Company's financial statements were accurately made. The Company disclosed enough information pursuant to the accounting standard, the related laws and the regulations of the Securities and Exchange Commission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

Moreover, in this year, the Audit Committee followed up to the results of the Management's solutions to the issues, commented by the Audit Committee last year, on the encouragement to the participation of all levels of executives into risk management and the establishment of the risk management committee. For this year, the Audit Committee would still give priority to the Company's risk management. Advice on the Company's internal control system of 2014 was given as follows:

1. The Management should emphasize all levels of executives to realize the risks which might happen from insufficient analysis of data;
2. The Company should encourage the employees to follow the Company's working procedure and to realize the damage which might occur from any breach of the internal control system;
3. The data collection for the Company's several database systems were still manual, inconvenient and delayed for the audit in the course of time, affecting on the decision making of the executives and the Management. Besides, it was a cause of delayed problem solving and insufficient internal control system.

The Management acknowledged and realized the importance of the internal control system by solving the problems and improving the internal control system to be more efficient.

On behalf of the Audit Committee


(Asst.Prof.Dr. Lawan Thanadsillapakul)

Chairman of the Audit Committee

13 March 2015



3. Policy and Overall Business Operation

Policy and overall of business operation

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

Vision & Mission

Vision

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

Mission

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

Guideline of Business Operation

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

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

Target of Business Operation

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

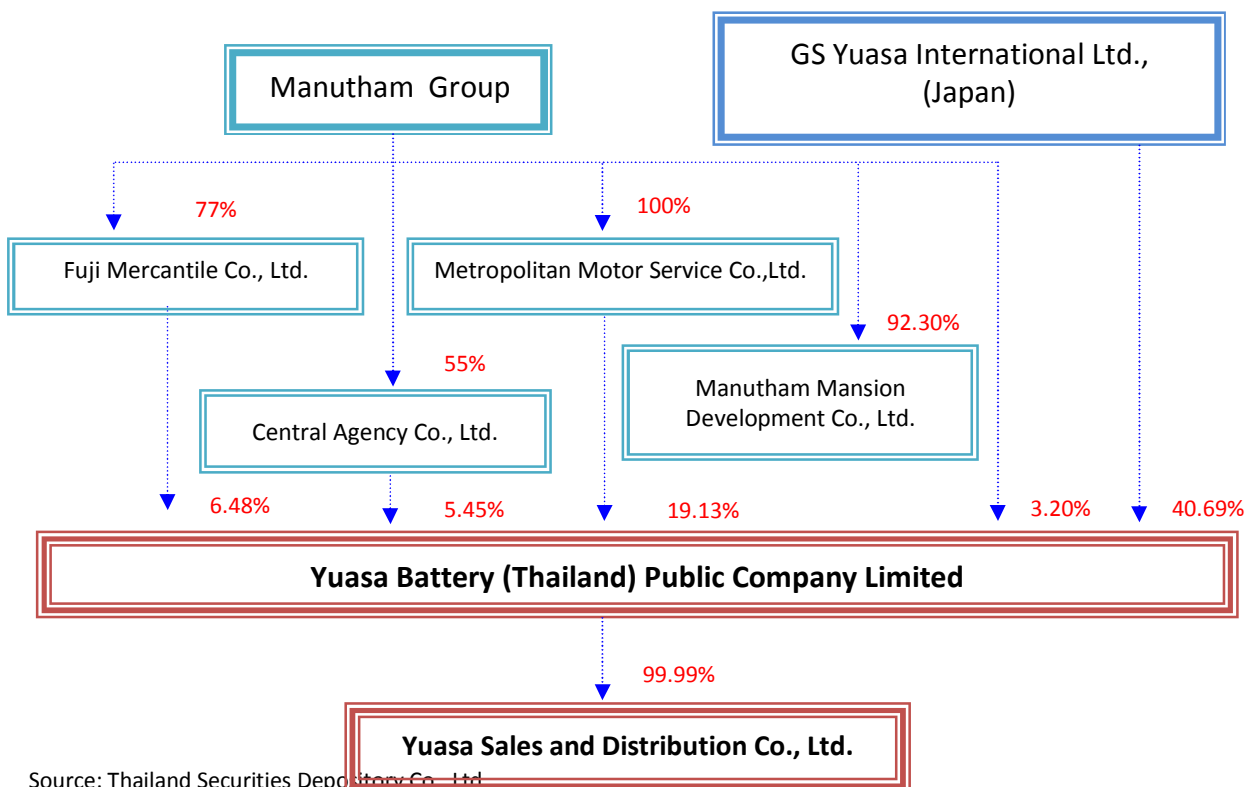
4. Nature of Business Operation

Nature of the Company and its Subsidiary's Business Operation

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

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

Structure of Related Companies (as of March 11, 2015)



Source: Thailand Securities Depository Co., Ltd.

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





Income Structure the Company and the Subsidiary

Unit : (Million Baht)										
Detail	2010		2011		2012		2013		2014	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Yuasa Battery (Thailand) Public Co., Ltd. (Company)										
1. Automotive Battery										
➤ Original Equipment Market (OEM)	251.62	13.44	204.56	10.79	298.70	15.43	291.21	16.53	244.39	14.55
➤ Export	186.58	9.96	218.00	11.50	246.69	12.74	251.75	14.29	289.39	17.23
➤ Indirect Export*	30.27	1.62	32.19	1.70	25.59	1.32	32.00	1.82	16.13	0.96
➤ Other	0.07	0.00	0.11	0.01	0.03	0.00	0.44	0.03	0.73	0.04
2. Motorcycle Battery										
➤ Original Equipment Market (OEM)	286.73	15.31	396.05	20.90	477.42	23.11	318.65	18.08	299.36	17.82
➤ Export	106.16	5.67	110.92	5.85	95.43	4.93	117.46	6.67	80.56	4.80
➤ Indirect Export*	3.99	0.21	5.95	0.31	3.25	0.17	2.97	0.17	5.20	0.31
➤ Other	0.41	0.02	0.04	0.00	0.05	0.00	0.01	0.00	0.01	0.00
3. Power Supply										
Domestic Market	20.48	1.09	76.28	4.02	66.58	3.44	41.38	2.35	54.56	3.25
International Market	-	-	-	-	-	-	-	-	-	-
4. Other	66.70	3.56	0.45	0.02	4.56	0.24	0.47	0.03	0.53	0.03
Total Revenue of Company (a)	953.01	50.88	1,044.53	55.11	1,188.28	61.38	1,056.35	59.95	990.85	58.99
Yuasa Sales and Distribution Co., Ltd. (Company holds 99.99%)										
1. Automotive Battery										
➤ Replacement Equipment Market (REM)	707.78	37.79	615.65	32.48	468.37	24.19	380.49	21.59	419.66	24.98
2. Motorcycle Battery										
➤ Replacement Equipment Market (REM)	192.54	10.28	189.33	9.99	208.87	10.79	276.79	15.71	246.70	14.48
3. Power Supply Battery / Solar Battery	16.83	0.90	20.36	1.07	24.13	0.01	21.46	1.22	9.51	0.56
4. Other	2.71	0.14	0.21	0.01	1.64	0.08	0.03	0.00	1.56	0.09
Total Revenue of Company (b)	919.86	49.11	825.56	43.56	702.88	36.31	678.74	38.52	677.42	40.33
Total revenues from sale (a)+(b)	1,803.43	96.29	1,870.09	98.67	1,891.17	97.68	1,735.10	98.47	1,668.27	99.31
Total other income	69.40	3.71	25.13	1.33	44.86	2.32	26.95	1.53	11.53	0.69
Total Revenue	1,872.87	100.00	1,895.22	100.00	1,936.04	100.00	1,762.05	100.00	1,679.80	100.00

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

* Domestically selling the products to export agents

Significant Changes in the Past Year

In 2014, the Company still continuously improved the operating process to increase the productivity as targeted and to support the demand of the sales departments. The areas, buildings and working environment inside the factory were developed, improved and arranged. Completely Check Completely Find-out activities were conducted to enhance the efficiency and safety in working and to reduce accidents inside the factory. Moreover, the Company developed new products to introduce to the market, both car and motorcycle batteries. For car batteries, the Company developed the products for REM and export markets; MFDIN75 for cars with 2,400cc engines or higher produced in Europe like Volvo, BMW and Mercedes-Benz cars; MF2800 Double Lid for 2,000cc cars like Toyota Vigo, Toyota Altis and Honda Civic. Batteries for big bikes and middle-sized motorcycles, namely YTZ10, YTZ7V and YTZ6V, were also developed for distribution into all markets.



Industry and Competition

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

According to the Thai Automotive Industry Association and the Bank of Thailand, having compared the automotive situation between 2013 and 2014, the production of cars and motorcycles decreased by 23.44 and 16.94 per cent respectively. In 2014, the car production was affected by the end of the government first-car scheme, the political problems in the beginning of the year and the unimproved domestic economy which led to lower purchasing power. The car production for export slightly grew, due to the unimproved global economy, conflicts in the Middle East and Ebola epidemic in the South Africa. These markets were Thailand's big importer of pick-up trucks. Therefore, they slowed down importing, leading to Thailand's lower export figures in the second half of the year. In addition, the stagnant domestic economy and political problems caused lower motorcycle production.

With all of the abovementioned reasons, the sales of cars and motorcycles decreased from 2013 by 33.68 and 15.07 per cent respectively. The export of cars in 2014 increased only by 4.14 per cent, while the export of motorcycles declined by 12.14 from 2013.

For battery industry, in terms of major manufacturers, according to the Office of Industrial Economics, it was found that the domestic production and sales reduced by 3.88 and 11.94 per cent respectively. The figures were in line with the domestic automotive industry and economy. These were affected by the political troubles in the first half of the year even if the government tried to inject the budget in the second half of the year. However, the production for export slightly increased by 10.14 per cent.

In 2014, the average price of lead, a main raw material for production of batteries, was at USD 2,097/ton, down by USD 46/ton or 2.17 per cent from USD 2,144/ton of 2013. The lead prices during 2014 fluctuated between USD 1,936-2,236/ton. The average price in the first half of the year was at USD 2,104, down from 2013. The average price in the third quarter increased again to USD 2,182/ton. However, the price continuously decreased in the fourth quarter from USD 2,038/ton in October to USD 2,023/ton in November and to USD 1,936/ton in December. The Company tried to adjust the product prices to compensate the prices of lead which sometimes increased. However, the prices could not be adjusted for the REM. This was because of limited market demand and high competition.

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

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

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

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

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



5. Risk Factors

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

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

1. Risk from Fluctuating Prices of Raw Materials

Risk: The prices of raw materials, especially the main elements for producing batteries like lead and plastic, are significant factors for control of production cost. The cost of lead and plastic are approximately 70-80 per cent of the total production cost. In case that the prices of raw materials fluctuate in line with the market, the operating result and financial status will be directly impacted. For 2014, the Company purchased lead, a main raw material, totaling THB 712.81 million. The average price of pure lead in 2014 was at USD 2,097 per ton, down by USD 46/ton or 2.17% from USD 2,144/ton of 2013. During 2014, the prices of pure lead fluctuated from USD 1,936-2,236/ton. The average price in the first half of the year was at USD 2,104, down from 2013, while the average price in the third quarter increased again to USD 2,182/ton. In the last quarter from October to December, the prices continuously decreased from USD 2,038/ton to USD 2,023/ton to USD 1,936/ton respectively.

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

2. Risk from Relying on the Joint Venture

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

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

In term of overseas markets, the Company has an authority to sell the products within the territory assigned by GS Yuasa International Ltd., including Cambodia, Lao and Myanmar. Apart from these areas, we have to ask for permission from GS Yuasa International Ltd. to avoid conflict of distribution with "YUASA" affiliates in other countries. In 2014, we continuously exported the products through GS Yuasa International Ltd. and the affiliate amount to 46.88 million baht. The amount was 15.90% of the total export amount or 17.68% of the Company's total revenue from selling.

Measure to manage the risk: The Company always recompenses in the form of royalty fee, pursuant to the agreement of providing technique of battery production and development. (The royalty fee is calculated by unit produced for all types of conventional batteries and all trademarks and by sales percentage for all types of maintenance-free batteries.) Also, the agreement between the Company and GS Yuasa International Ltd. has been renewed constantly for over 52 years. For limitation of overseas markets, the Company can export to the



countries not territorial to any “YUASA” affiliates. At present, some of our overseas customers are in the countries outside our affiliates’ territory. Taking advantage of network of GS Yuasa, the Company shall diversify the battery sources to be sold in the market.

3. Risk from a Few Customers

Risk: In 2014, the Company relied on selling to a few customers for OEM market. One of our domestic customers possessed 93.37 per cent of the total OEM sales of automotive batteries. Also, the sales of motorcycle batteries generated from supplying to one group of OEM customers, both domestic and overseas, were 78.22% of the total OEM sales of motorcycle batteries. Thus, in case that the customers cancel their orders, our operating result will be impacted.

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

4. Risk from Tough Competition

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

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

5. Risk from Foreign Currency Incomes, Expenses and Loans

Risk: The Company’s business relates to usage of foreign currency in several forms, such as exporting products and importing raw materials. All of these put the Company in risk of exchange rate. As of December 31st, 2014, we had assets and debts in foreign currency, converted into THB, amount to THB 38.79 million and THB 100.20 million respectively.

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

6. Risk from Lack of Financial Liquidity

Risk: From the end of 2013 to 2014, the Company had been facing with slight financial liquidity, because of continuous investment in improvement of equipment, machines, office buildings and factory buildings to support higher production capacity as well as the factory’s internal environment and environmental treatment system. Therefore, in case of lack of liquidity, the Company’s payment might be affected.

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



7. Risk from Management of Environment and Safety at Work

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

Measure to manage the risk: In terms of environment, the Company provided procedures of waste treatment incurring from the production process as well as continuous treatment. For example, the waste treatment eradicates lead powder in the water before releasing it outside the factory. The dust collector is implemented in the area risky for spread of lead powder. Efficient burning system is provided to lower smell of gas incurred from the production. Equipment for noise protection is also prepared for the machines having noise louder than the legal standard.

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

8. Risk from Sales Credits

Risk: The political problems took place in the beginning of 2014. It further caused unimproved economy in overall image, even if the government tried to introduce many projects to inject the money into the system. Moreover, the prices of agricultural goods, especially rice and rubber, were low. Also, the domestic sales competition was high, especially continuous launches of domestic sales promotions. With these reasons, it was necessary for the Company to increase the sales credit of the existing customers and to find new markets, providing risk from sales credits.

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

9. Risk from Relatively Small Size of Business with Competitors

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

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

10. Risk from Counterfeit Batteries

Risk: The products which are sold well in the market are generally risky to be imitated and counterfeited. The case also happened with The Company's products, especially motorcycle batteries which we held the top sales in domestic original equipment market and replacement equipment market. The fake batteries caused the sales decreased in some months. The Company was informed by the dealers that the counterfeit batteries were sold in Thailand.

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

11. Risk from Mature Market of Motorcycle Batteries

Risk: The domestic market of motorcycle increased continuously for a time. During the past 2-3 years, the domestic sales of motorcycles began to be full and decreased from the stagnant economy and lower



purchasing power, in line with the sales of motorcycle batteries. These were the reasons why the Company was unable to increase the domestic sales much.

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

12. Risk from Natural Disaster

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

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

13. Risk from Pandemic

Risk: The outbreak of pandemic, such as pandemic Ebola, bird flus and many types of contagious diseases, in 2014 was also a risk. An employee of the Company might be infected with the disease and spread it to the other employees, further affecting on the production and supply.

Measure to manage the risk: The Company monitored the working condition, the other facilities and the employees' health condition. In case of pandemic, we prepared hand tissue paper, alcohol-based hand gels, hand wash, masks and gloves. The employees who caught a cold were required to wear masks to avoid spreading the disease. In addition, the Company controlled the risk by requesting all of the employees to comply with the suggestions of the Ministry of Health. In case of suspect symptom, the employees were requested to take leave and to see the doctor. They could return to work after getting confirmation that their health condition was safe.

14. Risk from Political Unrest

Risk: In the first half of 2014, Thailand faced with the political unrest which further affected on the economy. The investment of the government and the private sector decreased a lot, in line with the domestic consumption, including sales of batteries.

Measure to manage the risk: The Company found new overseas sales channels to compensate the decreasing domestic sales. However, we presented sales promotional campaigns to attract the local customers at the same time. Moreover, we would try to expand the markets, especially in the neighboring countries which have big potential to grow.

15. Risk from Security of Information Technology

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

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



6. General Information of Company

• The Detail of Company

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

• Number and Type of Share

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

• The Detail of Subsidiary Company

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

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

- Information of Subsidiary Company

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

Type of Business	:	Distribution of car and motorcycle batteries
Dividend Payment	:	Upon shareholder's meeting's resolution
Account Year	:	1 January - 31 December
Auditor	:	Mrs.Suvimol Krittayakiern Certified Public Accountant (Thailand) Registration No.2982
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	:	Mrs.Suvimol Krittayakiern Certified Public Accountant (Thailand) Registration No.2982 D I A International Audit Co.,LTD 316/32 Sukhumvit 22 Sukhumvit Rd., Klongtoey, Bangkok 10110 Tel: 0-2-259-5300 Fax: 0-2260-1553
Financial Advisor	:	Thanachat Securities Co.,Ltd. 231 Thanachat Park Place Tower, 5 th Floor, Lumpini, Pathumwan, Bangkok 10330 Tel: 0-2126-8300



7. Shareholders Structure and Dividend Payment Policy

Shareholders Structure

The first 10 major shareholders with number of shares held and share ratios as at the last closing book dated March 11, 2015

	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.	10,413,600	9.68
4.	Fuij mercantile co.,Ltd.	6,971,600	6.48
5.	Central Agency co.,Ltd.	5,865,100	5.45
6.	Manutham Group	3,447,100	3.20
	1) Pol.Lt.Chan Manutham	2,682,400	2.49
	2) Mr.Pornchak Manutham	325,000	0.30
	3) Ms.Chanchai Manutham	263,900	0.25
	4) Ms.Pakrapai Wattanakul	110,000	0.10
	5) Pol.Lt.Col Warawuth Manutham	32,900	0.03
	6) Ms.Chamaiporn Manutham	32,900	0.03
7.	Mr.Yutaka Ueda	2,363,700	2.20
8.	Mr.Sopon Mithpanpanich	1,132,000	1.05
9.	Miss.Anchana Pinijkusonjid	485,000	0.45
10.	Mr.Tony Shaohi Chain	300,000	0.28
	Total the first 10 major shareholders	95,351,920	88.60
	Minor shareholders	12,273,080	11.40
	Total	107,625,000	100.00

Source : The stock Exchange of Thailand Group.

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

Dividend payment policy

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

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



8. Management Structure

1. The Board of Directors

The structure of the Company directors consists of three commissions, namely the Board of Directors, the Audit Committee and the Remuneration Committee. However, the Board currently considers the appointment of the Risk Management Committee which is planned to be complete in 2015. The details of each commission are described as follows:-

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

As of December 31st, 2014, the Board of Directors comprised of 11 persons as follows:-

Name	Position	Appointment
1.Mr.Katsumi Nakato	Chairman of the Board of Director (Acting) and Chief Executive Officer	December 14, 2005
2.Mr.Pornchak Manutham	Director	December 8, 2003
3.Pol.Maj.Gen.Supchan Manutham	Director	May 8, 2012
4.Mr.Kazuhiko Noda	Director	March 4, 2013
5.Mr.Masashi Morimitsu①	Director	November 4, 2011
6.Mr.Goro Iwami②	Director	August 4, 2011
7.Mr.Subhavas Bandhuvadh③	Director and Chief Operation Officer	April 19, 2004
8.Dr.Kusaya Leerahawong④	Independent Director and Chairman of Audit Committee	February 21, 2006
9.Mr.Yothin Vimoogtayon	Independent Director and Audit Committee	April 22, 2008
10.Mr.Prasert Kitisakkul	Independent Director and Audit Committee	April 21, 2010
11.Asst.Prof.Dr.Lawan Thanadsillapakul	Independent Director and Audit Committee	April 21, 2010

And Mr.Sukthae Ruangwattanachot is Company Secretary.

Remark: ① Mr.Masashi Morimitsu was appointed as Director, replacing Mr.Eiichiro Kato who resigned on May 8th, 2014.

② Mr.Goro Iwami was appointed as Director, replacing Mr.Takeo Yamamoto who resigned on May 8th, 2014.

③ Mr.Subhavas Bandhuvadh retired from Chief Operating Officer from January 1st, 2015, but still taking charge as Director.

④ Dr.Kusaya Leerahawong has resigned from Director from January 1st, 2015.

Check and Balance of Non-Executive Directors

As of December 31st, 2014, the Board of Directors comprised of 11 directors as follows:

- Executive Directors 3
- Non-Executive Directors 4
- Independent Directors and Audit Committee 4

In the light of the above, the Company had 4 Non-Executive Directors, or 36.36% of the Board Members. There were four 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.Kazuhiko	Noda	Director
4. Mr.Goro	Iwami	Director

The Authorized Directors

The authorization is "Mr.Pornchak Manutham or Pol.Maj.Gen.Supchan Manutham and Mr.Katsumi Nakato or Mr.Masashi Morimitsu jointly sign with Company's seal."



Report of the Board Members' Holding of Securities in 2013-2014

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

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

Source: The Stock Exchange of Thailand

Scope of the Board of Directors

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

The scopes are as follow:-

1. The Board will take part in the determination of the policy and direction of Company and to monitor and supervise the management to the policy efficiency and effectively for increasing the maximize economic value and shareholders' wealth. Further, the Board should also concern the responsibility of social and environment.
2. Consider the operation plan and to develop Company to compete in the international level.
3. Evaluate Company's operation of Chief Executive Officer
4. Implement the efficient system of internal control and internal audit
5. Independent director and other external director should have their opinion to consider and review the strategy, management, appointment of director, operation standard, objection the other opinion when disagree in the issue which relate with equitable treatment of shareholder.
6. Consider to select and propose the appointment of external auditor and remuneration of external auditor
7. Having outside counsel or other professional to advise the board as necessary.



8. The board shall have Company secretary to take care of the activity of the Board and to help the board to work in line with law and regulation of Company.
9. Propose the appointment and retirement of director.
10. Consider and approve the business activity which relates with the financial status, liability, strategy and reputation of Company.
11. Consider the related transaction of parent company or affiliated company and to propose to shareholder's meeting if having materiality.
12. Company has determined to have the business ethics to be the guidance for directors and employees of Company.
13. Recognize the responsibility of the Board and to respect the right of shareholder and stakeholder.
14. Disclose the sufficient and correctly data for transparency.
15. Protect the benefit of mainly shareholder and minority shareholder with fairness.

The Board of Directors shall hold at least 4 meetings per year. The dates of the meetings throughout the year were set and each director was informed accordingly in advance. For preparation of the meetings, the Chairman and the Chief Executive Officer shall consider on the agendas. Each director has a right to propose the agendas which are beneficial to the Company. The Company Secretary shall submit the meeting materials, including the agendas and attachment, to the directors in advance for their preparation. In 2014, 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 Director 4 persons as follows:-

Name	Position
1. Dr.Kusaya Leerahawong	Independent Director and Chairman of Audit Committee
2. Mr.Yothin Vimoohtayon	Independent Director and Audit Committee
3. Mr.Prasert Kitisakkul	Independent Director and Audit Committee
4. Asst.Prof.Dr.Lawan Thanadsillapakul	Independent Director and Audit Committee

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

Remark: Dr.Kusaya Leerahawong resigned from Independent Director and Chairman of Audit Committee from January 1st, 2015. Asst.Prof.Dr. Lawan Thanadsillapakul was appointed as Chairman of Audit Committee on January 27th, 2015.

There were 4 Independent Directors and 4 Audit Committee members, or 33.63% of the Board members. All of the Audit Committee members have ever own expertise which might benefit for the roles of the Audit Committee. Dr.Kusaya Leerahawong and Mr. Prasert Kitisakkul are the persons who had expertise and experience in auditing the Company's financial statement. (For details, please see the resume of the directors.)



Scope of the Audit Committee

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

1. To review Company's financial reporting process to ensure accuracy and adequacy; and credible in accordance with general accepted accounting standards.
 2. To review and ensure that Company has suitable and efficient internal control system and internal audit, to determine an independency of an internal audit unit, as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or other units that in charge of an internal audit;
 3. To review the performance of Company to ensure compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws relating to business of Company.
 4. To consider, select and nominate an independent person to be an external auditor of Company, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
 5. To review transaction with related parties or transaction that may lead to conflict of interest to ensure the accurateness and completeness to ensure that comply with the laws and the Exchange's regulations, with reasonable the best benefits to Company;
 6. To review the internal audit plan and operation of the internal auditor unit as well as coordinate with external auditor.
 7. To prepare the audit committee report and disclose it in Company annual report. The report should be signed by the chairman of the audit committee which consists of at least the following information:
 - 7.1 An opinion on the accuracy, completeness and creditability of Company's financial report.
 - 7.2 An opinion on the adequacy of Company's internal control system,
 - 7.3 An opinion on the compliance with the law of securities and exchange, the Exchange's regulations , or Company business relating laws,
 - 7.4 An opinion on the suitability of an auditor,
 - 7.5 An opinion on the transactions that may lead to conflicts of interests,
 - 7.6 The number of the audit committee meetings, and the attendance of such meetings by each committee member.
 - 7.7 An opinion or overview comment of the audit committee performance with charter compliance,
 - 7.8 Other transactions which, subject to the audit committee's opinion, should be known by the shareholders and general investors, within the scope of duties and responsibilities assigned by Company's board of directors;
 8. In perform the duty of Audit Committee, if the following transaction are found and might deliver some significant effect to Company' s financial statement and performance, the Audit Committee should report to the Board of Director to adjust or amend within proper time it may see fit.
 - 8.1 Transaction that might create conflict of interest,
 - 8.2 Fraud or any irregularity or deficiency in internal control system,
 - 8.3 Violate the regulation about security and stock market, regulation of SET or any laws related to company business.
- If the Board of Directors or the management do not amend within the time as Audit Committee's consideration, one of the Audit Committee might report to SEC or SET that there is an action as from the above statement.
9. Other related matters assigned by the Board of Directors with the permission of the audit committee.



Definition of Independent Director

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

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

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



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

1.3 The Remuneration Committee (RC)

The Board of Directors' meeting no.1/2015, which held on January 27th, 2015, had the resolution to appoint Remuneration Committee, comprised of 4 persons as follows:-

Name	Position
1. Mr.Pornchak Manutham	Chairman of Remuneration Committee
2. Asst.Prof.Dr.Lawan Thanadsillapakul	Remuneration Committee
3. Mr.Prasert Kitisakkul	Remuneration Committee
4. Mr.Kazuhiko Noda	Remuneration Committee

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

Scope of Work

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

1.4 Sub-Committee

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

1.5 The Management Committee

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

- | | | |
|----------------|------------|-----------------------------|
| 1. Mr.Katsumi | Nakato | Chief Executive Officer |
| 2. Mr.Subhavas | Bandhuvadh | Chief Operating Officer |
| 3. Mr.Masashi | Morimitsu | Chief Executive Engineering |

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

Remark : Mr.Subhavas Bandhuvadh retired from Chief Operating Officer from December 31th, 2014, replaced by Mr.Sukthae Ruangwattanachot from January 1st, 2015.

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 abroad.
 - 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).

1.6 Scope of the Company Secretary

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

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

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

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

2. The Remuneration of Directors

Monetary Remuneration

According to the Annual General Shareholders Meeting 2014, held on April 24th, 2014, the remuneration of the Board of Directors and the Audit Committee was approved as follows:-



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

Furthermore, the meeting determined the yearly allowance of directors at not over than 4% of net profit after tax of consolidated financial statement.

The Remuneration and the Frequency of the Board of Directors Meetings in 2013-2014

(Unit : Baht)						
Directors	Annual Remuneration		Meeting Allowance		Entering of Meeting/Amount of Meeting (Time) per year	
	2013	2014	2013	2014	Ordinary (2013)	Ordinary (2014)
1. Mr.Katsumi Nakato	50,000	-	87,500	97,000	7/7	7/7
2. Mr.Pornchak Manutham	50,000	-	70,000	80,000	7/7	7/7
3. Pol.Maj.Gen.Supchan Manutham	50,000	-	70,000	80,000	7/7	7/7
4. Mr.Pramote Manutham	50,000	-	70,000	42,500	7/7	4/7
5. Mr.Kasuhiko Noda	41,507	-	20,000	45,000	2/7	4/7
6. Mr.Takeo Yamamoto	50,000	-	40,000	42,500	4/7	4/7
7. Mr.Eiichiro Kato	50,000	-	50,000	12,500	5/7	1/7
8. Mr.Masashi Morimitsu	-	-	-	37,500	-	3/7
9. Mr.Goro Iwami	-	-	-	37,500	-	3/7
10. Mr.Subhavas Bandhuvadh	50,000	-	70,000	80,000	7/7	7/7
11. Dr.Kusaya Leerahawong	50,000	-	105,000	80,000	7/7	7/7
12. Mr.Yothin Vimoogtayon	50,000	-	85,000	80,000	5/7	7/7
13. Mr.Prasert Kittisakkul	50,000	-	95,000	80,000	6/7	7/7
14. Asst.Prof.Dr.Lawan Thanadsillapakul	50,000	-	105,000	80,000	7/7	7/7
Total	600,000	-	900,000	799,500	-	-

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

1. Mr.Pramote Manutham, no.4, resigned from Director from August 7th, 2014.
2. Mr.Masashi Morimitsu, no.8, was appointed as Director to replace Mr.Eiichiro Kato who resigned from May 8th, 2014.
3. Mr.Goro Iwami, no.9, was appointed as Director to replace Mr.Takeo Yamamoto who resigned from May 8th, 2014.
4. Dr.Kusaya Leerahawong resigned from Director from January 1st, 2015.

The Remuneration of Executive Directors

(Unit : Baht)		
Detail	Directors who are management, and management	
	11 persons of year 2013	10 persons of year 2014
1.Salary	13,456,175	15,218,812
2.Meeting allowance	200,500	260,500
3.Bonus	1,554,728	1,407,797
4.Others welfare	2,808,130	3,070,269

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



The Remuneration of the Audit Committee in 2014

(Unit : Baht)						
Audit Committee	Quarterly and yearly allowance		Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2013	2014	2013	2014	2013	2014
1.Dr.Kusaya Leerahawong	135,000	140,000	175,000	170,000	14/14	12/12
2.Mr.Yothin Vimoogtayon	115,000	120,000	120,000	140,000	12/14	12/12
3.Mr.Prasert Kittisakkul	115,000	120,000	140,000	140,000	14/14	12/12
4.Asst.Prof.Dr.Lawan Thanadsillapakul	115,000	120,000	140,000	140,000	14/14	12/12
Total	480,000	500,000	575,000	590,000	-	-

The Remuneration of the Remuneration Committee in 2014

(Unit : Baht)				
Remuneration Committee	Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2013	2012	2013	2012
1. Mr.Pornchak Manutham	27,500	12,500	2/2	1/1
2.Dr.Kusaya Leerahawong	20,000	10,000	2/2	1/1
3.Asst.Prof.Dr.Lawan Thanadsillapakul	20,000	10,000	2/2	1/1
4.Mr.Hiroshi Tateiwa	10,000	-	1/1	-
5. Mr.Kasuhiko Noda	-	-	1/2	1/1
Total	77,500	32,500	-	-

Remarks: Mr.Kasuhiko Noda, was appointed as Remuneration Committee in The Board of Director Meeting no.1/2015 on January 27th, 2015

Other remuneration

- none-

3. Personnel

Number of the employees

Number of the employees of the Company and its Subsidiary as of December 31st, 2014 was 621.

Details of the expenses incurred in 2014 were described as follows:

Detail	Number of Employees (Person) As of December 31 st , 2014			Remuneration of 2014 (Thousand)		Welfare of 2014 (Thousand)		Expenses for Improving the Employees of 2014 (Thousand)	
	Company	Subsidiary	Total	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary
Head Office	70	45	115	30,535	14,928	3,422	6,579	100	-
Factory	509	-	509	156,413	-	8,919	-	533	-
Total	579	45	624	186,948	14,928	12,341	6,579	633	-

Other Remunerations

Apart from the remuneration mentioned above, the Company established a provident fund in 2005, according to the Provident Fund Act B.E. 2530. 3% of the employees' salary was paid by the Company to the provident fund. The employees could make a decision to be a member and pay 3% of their salaries. 2.51MB was recorded as expenses paid by the Company and its Subsidiary into the provident fund in the income statement.



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

-N/A-

Labor disputes during the past 3 years

No significant labor dispute

Training Courses and Improvement of the Personnel

Training courses and improvement of personnel in 2014 are a conventional process intended to enhance the personnel's knowledge and skills for their efficient performance and safety.

Objectives of Training Courses and Improvement of Personnel

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

Process of Training and Improvement of Personnel

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

Types of Training

1. Newcomer orientation: the objective is to introduce to them the environment, regulations, welfares, safe and correct practices, ISO9001:2008, ISO14001 as well as the management and the department managers, so that the new employees will be familiar with the company's society promptly and less serious. Topics talked in an orientation include (1) history of the company; (2) regulations and welfares of the company; (3) safety in work; (4) fundamental of ISO9001:2008; and (5) fundamental of ISO14001.
2. Internal training: the employees in all levels were trained to enhance their knowledge and competence in order to apply them to the operation. The training courses included both for supervisors and employees. One course per month was conducted, Writing and preparing meeting minutes, Efficient task and time management, How to cultivate awareness of sale working, English communication by e-mail/Fax and memo for working, Efficient inventory management.
3. External training: the employees were sent to be trained outside with training companies on specific fields of each person.
4. Educational tours: the employees were out for learning at several companies to open their visions and gain new experiences in order to apply them to their improvement.



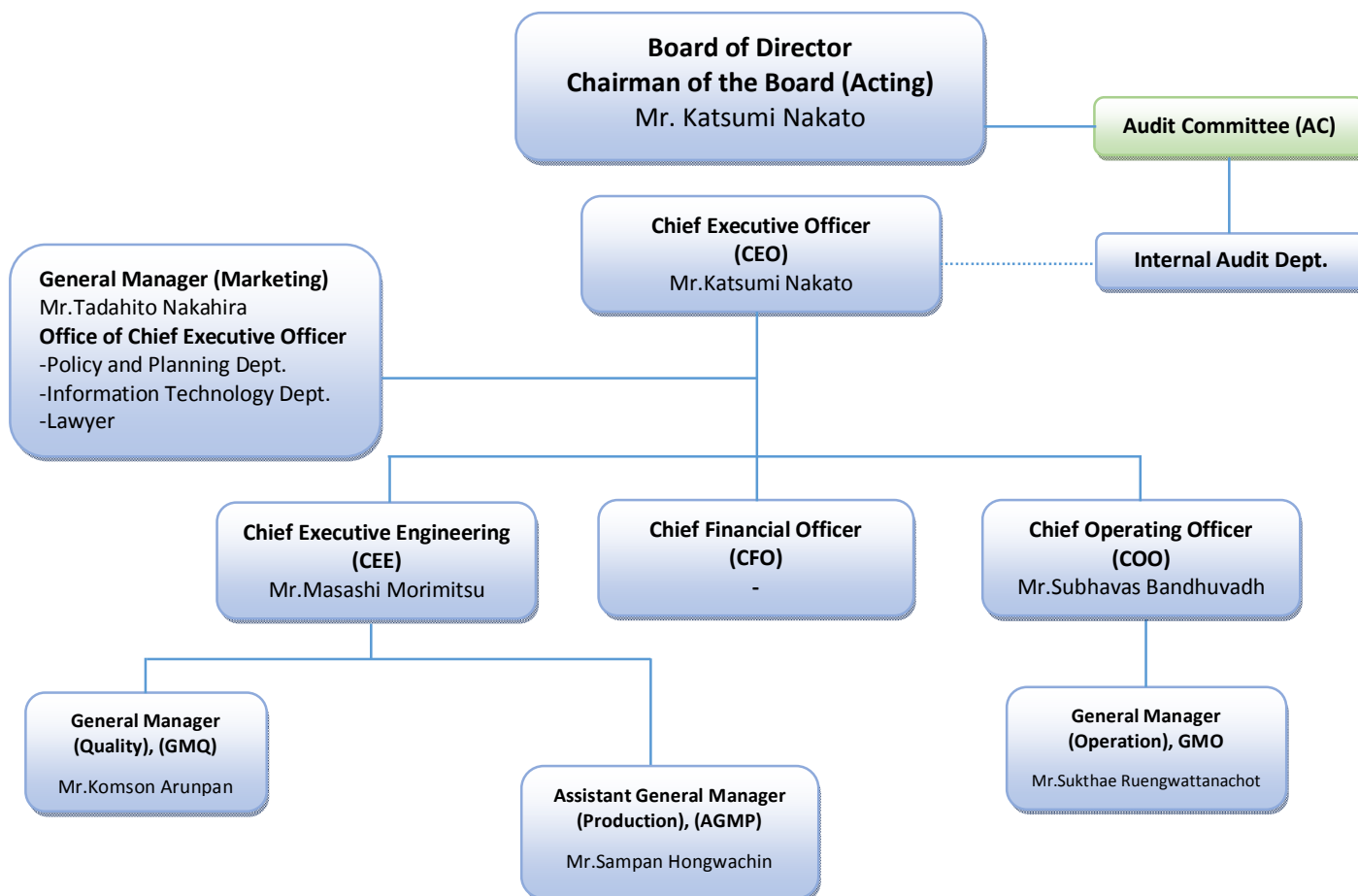
Training for enhancing the employees' potential

Level of Employees	Average Training Hours / Employee	Target of Training
Management	24 Hrs.	<ol style="list-style-type: none">1.To cultivate the management's vision, capability and high competence to become the organization's mechanic to drive the organization's strategy to be efficient and effective2.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 visible3.To build the management's international competitive competence for the present and the future
Executive Officers / Professional Officers (Level 6-9)	180 Hrs.	<ol style="list-style-type: none">1.To cultivate more knowledge, competence, skills and good attitude towards work2.To allow cooperation amongst the executive officers to jointly improve the organization and to drive the organization's mission towards the target
		<ol style="list-style-type: none">3.To build harmony and mutual vision in unity for appropriate administration and problem solving without delay4.To cultivate the executive officers' international competitive competence for the present and the future
Operational Officers (Level 0-5)	114 Hrs.	<ol style="list-style-type: none">1.To systematically change the behavior and to provide the employees knowledge, understanding, necessary capability and good attitude in the departments' each work2.To let the personnel to be able to work well and to do the colleagues' work3.To increase the value of the organization's employees4.To upgrade the career advancement5.To cultivate the operational officers' international competitive competence for the present and the future



8.1 Organization Chart

The organization chart of Yuasa Battery (Thailand) Plc. and Subsidiary Company as of December 31, 2014





8.2 Director and management

Mr.Katsumi Nakato

Position : Vice Chairman of the Board
Chief Executive officer

Appointment : December 14, 2005
Period of Position : 9 Years



Share Portion

-Nil-

Age	60 Years
Nationality	Japanese
Education	Social Science Department, Osaka University, Japan
Training	Certificate of Thailand Institute of Directors (IOD) Director Accreditation Program (DAP) 57/2006
<u>Working Experience in the Last 5 Years</u>	
Present	Chairman of the Board (Acting) Yuasa Battery (Thailand) PLC. Chief Executive officer Yuasa Battery (Thailand) PLC. Director Yuasa Sales and Distribution Co., Ltd.
2006	Director and Executive Vice President Yuasa Battery (Thailand) PLC., Yuasa Sales and Distribution Co., Ltd.
Relation to Management	-Nil-
Legal action	-Nil-
<u>Number of meetings attended/Number of total meetings (Times/2014)</u>	
Yuasa Battery (Thailand) PLC.	
❖ Board of Directors Meeting	7/7 Times
❖ Annual General Shareholder Meeting	1/1 Times
Yuasa Sales and Distribution Co.,Ltd.	
❖ Board of Directors Meeting	7/7 Times
<u>Current Other Position</u>	
❖ Listed Company	-Nil-
❖ Company	-Nil-
Other business that may lead to conflict of interest	
-Nil-	

Mr.Pornchak Manutham

Position : Director and Chairman of
Remuneration Committee

Appointment : December 8, 2003
Period of Position : 11 Years



Share Portion

325,000 shares or 0.30 %

Age	60 Years	
Nationality	Thai	
Education	Master of Business Administration, Thammasart University Bachelor of Business Administration, Ramkhamhaeng University Bachelor of Science, Chulachomklao Royal Military School	
Training	Certificate of Thailand Institute of Directors (IOD) Director Accreditation Program (DAP) 23/2004, Director Certification Program (DCP) 156/2012, Role of the Compensation Committee (RCC) 15/2012 ,Role of the Chairman Program (RCP) 28/2012	
<u>Working Experience in the Last 5 Years</u>		
2007-Present	Director, Yuasa Battery (Thailand) PLC. and Yuasa Sales and Distribution Co., Ltd.	
Relation to Management	Yonger brother of Pol.Maj.Gen Supchan Manuthan	
Legal Action	-Nil-	
<u>Number of meetings attended/Number of total meetings (Times/2014)</u>		
Yuasa Battery (Thailand) PLC.		
❖ Board of Directors Meeting	7/7 Times	
❖ Annual General Shareholder Meeting	1/1 Times	
❖ Remuneration Committee meeting	1/1 Times	
Yuasa Sales and Distribution Co.,Ltd.		
❖ Board of Directors Meeting	7/7 Times	
<u>Current Other Position</u>		
❖ Listed Company	-Nil-	
❖ Company	4 Companies as follows :	
Company	Position	Period of position
1. Yuasa Sales and Distribution Co.,Ltd.	Director	11 Years
2. Metropolitan Motor Service Co.,Ltd.	Director	20 Years
3. Fuij mercantile Co.,Ltd.	Director	17 Years
4. Central Agency Co.,Ltd.	Director	19 Years
Other business that may lead to conflict of interest -Nil-		



Pol.Maj.Gen.Supchan Manutham

Position : Director

Appointment : May 8, 2012

Period of Position : 2 Years 7 Months



Mr.Subhavas Bandhuvadh

**Position : Director and
Chief Operating Officer**

Appointment : April 19, 2004

Period of Position : 10 Years 8 Months



Share Portion

-Nil-

Age 68 Years
Nationality Thai
Education Master of Public Administration, Chulalongkorn University
Bachelor of law, Thammasart University
Training Certificate of Thailand Institute of Directors (IOD) Director Accreditation Program (DAP) Director Accreditation Program (DAP) 91/2011

Working Experience in the Last 5 Years

Present Director, Yuasa Battery (Thailand) PLC. and 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 Director, Zeer property Public Co.,Ltd.

Relation to Management Older brother of Mr. Pornchak Manuthan.

Legal Action -Nil-

Number of meetings attended/Number of total meetings (Times/2014)

Yuasa Battery (Thailand) PLC.

- ❖ Board of Directors Meeting 7/7 Times
- ❖ Annual General Shareholder Meeting 1/1 Times

Yuasa Sales and Distribution Co.,Ltd.

- ❖ Board of Directors Meeting 7/7 Times

Other Current Positions

- ❖ Listed Company 1 Companies
- ❖ Company 3 Companies as follows :

Company	Position	Period of position
1. Yuasa Sales and Distribution Co.,Ltd.	Director	2 Year 7 Months
2. Manutham mansion Dept. Co.,Ltd.	Director	22 Years
3. North East Green Energy (Thailand) Co.,Ltd	Director	3 Years
4. Zeer property Public Co.,Ltd.	Chairman	3 Years

Other business that may lead to conflict of interest -Nil-

Share Portion

500 shares or 0.0005 %

Age 60 Years
Nationality Thai
Education Bachelor of Law, Chulalongkorn University
Certificate of International law at Hague, the Netherlands
Management and Marketing Program University of California at Los Angeles (UCLA) Extension
Training Certificate of Thailand Institute of Directors (IOD) Director Accreditation Program (DAP) 21/2004, Finance for Non – Finance Directors (FND) 14/2004

Working Experience in the Last 5 Years

2007-Present Director and Chief Operating Officer, Yuasa Battery (Thailand) PLC.

2007-2014 Chief Operating Officer, Yuasa Battery (Thailand) PLC.

2006-2007 Director Listed Company Association

2006-2007 Director and Senior Executive Vice President Yuasa Battery (Thailand) PLC.

Relation to Management -Nil-

Legal action -Nil-

Number of meetings attended/Number of total meetings (Times/2014)

Yuasa Battery (Thailand) PLC.

- ❖ Board of Directors Meeting 7/7 Times
- ❖ Annual General Shareholder Meeting 1/1 Times

Other Current Positions

- ❖ Listed Company -Nil-
- ❖ Company -Nil-

Other business that may lead to conflict of interest -Nil-

Remark: Mr.Subhavas Bandhuvadh has retired as Chief Operating Officer from December 31th, 2014



Mr.Kazuhiko Noda

Position : Director

Appointment : March 4, 2013
Period of Position : 1 Year 8 Months



Mr.Goro Iwami

Position: Director

Appointment : May 8, 2014
Period of Position 7 Months



Share Portion

-Nil-

Age 54 Years
Nationality Japanese
Education Kansai University, Department of Economics, Faculty of Economics
No Training Certificate of Thailand Institute of Directors (IOD)

Working Experience in the Last 5 Years
Present Director, Yuasa Battery (Thailand) PLC. and Yuasa Sales and Distribution Co., Ltd.
2012-Present Devision Manager, Marketing Division, International Business unit, GS Yuasa International Ltd.
2007 President, Ztong Yee Industrial Co., Ltd.

Relation to Management -Nil-
Legal Action -Nil-

Number of meetings attended/Number of total meetings (Times/2014)
Yuasa Battery (Thailand) PLC.
❖ Board of Directors Meeting 4/7 Times
❖ Annual General Shareholder Meeting 1/1 Times
❖ Remuneration Committee meeting 0/1 Times
Yuasa Sales and Distribution Co., Ltd.
❖ Board of Directors Meeting 4/7 Times

Other Current Positions
❖ Listed Company -Nil-
❖ Company -Nil-

Other business that may lead to conflict of interest -Nil-

Remark; Mr. Kazuhiko Noda has been appointed as Remuneration Committee from January 27th, 2015.

Share Portion

-Nil-

Age 42 Years
Nationality Japan
Education Bachelor Degree in Faculty of Commerce, Meiji University, Japan
No Training Certificate of Thailand Institute of Directors (IOD) Director Accreditation Program (DAP)

Working Experience in the Last 5 Years
Present Director, Yuasa Battery (Thailand) PLC. and Yuasa Sales and Distribution Co., Ltd.
Present Manager, 1st Business Development Department, Business Development Division, International Business Unit, GS Yuasa International Ltd.
2013 Entered into GS Yuasa International Ltd.
2009 Deputy General Manager, Shibamoto & Co., Ltd.
2007 President, SAS Foods, Inc. (Georgia Atlanta, U.S.A.) (Employee assigned to the office)

Relation to Management -Nil-
Legal action -Nil-

Number of meetings attended/Number of total meetings (Times/2014)
Yuasa Battery (Thailand) PLC.
❖ Board of Directors Meeting 3/7 Times
❖ Annual General Shareholder Meeting 0/1 Times
Yuasa Sales and Distribution Co., Ltd.
❖ Board of Directors Meeting 3/7 Times

Other Current Positions
❖ Listed Company -Nil-
❖ Company -Nil-

Other business that may lead to conflict of interest -Nil-

Remark; Mr. Goro Iwami has been appointed as Director from May 8th, 2014.



Mr.Masashi Morimitsu



Position: Director and
Chief Executive Engineer

Appointment : May 8, 2014
Period of Position 7 Months

Share Portion

-Nil-

Age 40 Years
Nationality Japan
Education Bachelor Degree of Physics, Faculty of
Science and Engineering, Chou
University
Training Certificate of Thailand Institute of
Directors (IOD) [Director Accreditation
Program \(DAP\) 115/2015](#)

Working Experience in the Last 5 Years

Present Director, Yuasa Battery (Thailand)
PLC.
2013-Present Chief Executive Engineer, Yuasa
Battery (Thailand) PLC.
2011-2013 General Manager, Yuasa Battery
(Thailand) PLC.
2010 Assistant Manager, Technical Dept.,
Automotive Battery Division, GS
Yuasa International Ltd.

Relation to Management -Nil-
Legal action -Nil-

Number of meetings attended/Number of total meetings
(Times/2014)

Yuasa Battery (Thailand) PLC.
❖ Board of Directors Meeting 3/7 Times
❖ Annual General Shareholder Meeting 0/1 Times

Other Current Positions
❖ Listed Company -Nil-
❖ Company -Nil-

Other business that may lead to conflict of interest -Nil-

Remark; Mr.Masashi Morimitsu has been appointed as Director
from May 8th, 2014.

Dr.Kusaya Leerahawong



Position : Independent Director ,
Chairman of Audit Committee
and Remuneration Committee

Appointment : February 21, 2006
Period of Position: 8 Years 10 Months

Share Portion

-Nil-

Age 57 Years
Nationality Thai
Education Ph.D (Finance) University of Southern
Queensland, Australia
Master of Business Administration
(Finance)/NIDA
Bachelor of Science, Mahidol University
Training Certificate of Thailand Institute of Directors
(IOD) [Director Accreditation Program \(DAP\)
54/2006 Director Certification Program
\(DCP\) 92/2007 , Monitoring Fraud Risk
Management \(MFM\) 5/2011 , Audit
Committee Program \(ACP\) 27/2009 ,
Monitoring the Quality of Financial
Reporting \(MFR\) 7/2009 , Monitoring the
Internal Audit Function \(MIA\) 5/2009,
Monitoring the System of Internal Control
and Risk Management \(MIR\) 6/2009 ,Role
of the Compensation Committee \(RCC\)
13/2011 , Role of the Chairman Program
\(RCP\) 28/2012](#)

Working Experience in the Last 5 Years

Present Adjunct-Lecturer-major subjects :
Strategic Management, Financial
Management, Financial Market and
Institution and Investment in Thailand
Adjunct-Lecturer and Supervisory Panel
Member Doctor of Business Administration
Program, University South Australia
Lecturer about local government Khon
Kaen University.
2014 Independent Director and Chairman of
Audit Committee, Yuasa Battery (Thailand)
PLC.

Relation to Management -Nil-
Legal action -Nil-

Number of meetings attended/Number of total meetings
(Times/2014)

Yuasa Battery (Thailand) PLC.
❖ Board of Directors Meeting 7/7 Times
❖ Annual General Shareholder Meeting 1/1 Times
❖ Remuneration Committee meeting 1/1 Times
❖ Audit Committee Meeting 12/12 Times

Other Current Positions
❖ Listed Company -Nil-
❖ Company -Nil-

Other business that may lead to conflict of interest -Nil-

Remark; Dr.Kusaya Leerahawong has resigned as director from
January 1st, 2014.



Mr.Yothin Vimoogtayon

**Position : Independent Director
and Audit Committee**

Appointment : April 22, 2008
Period of Position : 6 Years 8 Months



Mr.Prasert Kitisakkul

**Position : Independent Director and
Audit Committee**

Appointment : April 21, 2010
Period of Position : 4 Years 8 Months



Share Portion

-Nil-

Age 67 Years
Nationality Thai
Education Political Science, Burapha University
Mini MBA, Thammasart University
LLM, Thammasart University
B.A. Economics Chiang Mai University
Training Certificate of Thailand Institute of
Directors (IOD) Director Certification
Program (DCP) 72/2006

Working Experience in the Last 5 Years

Present Independent Director and Audit
Committee, Yuasa Battery (Thailand)
PLC.
Present Director of Wat Benchamabopitr
Dusitvanaram Association
2004-2007 Deputy director of Excise Department

Relation to Management -Nil-
Legal action -Nil-

Number of meetings attended/Number of total meetings
(Times/2014)

Yuasa Battery (Thailand) PLC.
❖ Board of Directors Meeting 7/7 Times
❖ Annual General Shareholder Meeting 0/1 Times
❖ Audit Committee Meeting 12/12 Times

Other Current Positions

❖ Listed Company -Nil-
❖ Company -Nil-

Other business that may lead to conflict of interest -Nil-

Share Portion

2,000 shares or 0.002 %

Age 64 Years
Nationality Thai
Education Bachelor degree of science (Business
Administration) La Salle University, USA.
Training Certificate of Thailand Institute of
Directors (IOD) Director Accreditation
Program (DAP) 39/2005, Director
Certification Program (DCP) 139/2009

Working Experience in the Last 5 Years

Present Independent Director and Audit
Committee, Yuasa Battery (Thailand)
PLC.
2009 – Present Board Director, Tien Fah Hospital.
2006 – Present Chairman of the Monitoring and
Auditing Committee of the Police.
Management Plabplachai 2 Police
Station.

Relation to Management -Nil-
Legal Action -Nil-

Number of meetings attended/Number of total meetings
(Times/2014)

Yuasa Battery (Thailand) PLC.
❖ Board of Directors Meeting 7/7 Times
❖ Annual General Shareholder Meeting 1/1 Times
❖ Audit Committee Meeting 12/12 Times

Other Current Positions

❖ Listed Company -Nil-
❖ Company -Nil-

Other business that may lead to conflict of interest -Nil-



**Assistant Professor
Dr.Lawan Thanadsillapakul**

**Position : Independent Director ,
Audit Committee and
Remuneration Committee**

**Appointment : April 21, 2010
Period of Position : 4 Years 8 Months**



Mr.Sukthae Ruengwattanachot

Position : Company Secretary

**Appointment : February 25, 2005
Period of Position : 8 Years 10 Months**



Share Portion

-Nil-

Age 58 Years
Nationality Thai
Education Ph.D. (Law) Lancaster University (UK)
LL.M. (International Comparative Law and European Law) Vrije Universiteit Brussels,Belgium
Master degree of Law (International Law),Thammasat University
Bachelor degree of Law,Thammasat University.
Training Certificate of Thailand Institute of Directors (IOD) Audit committee Program (ACP) 35/2009 ,Monitoring Fraud Risk Management (MFM) 6/2011 Monitoring the internal Audit Function(MIA) 11/2011 ,Monitoring the system of Internal Control and Risk Management (MIR) 11/2011 , Monitoring of the Quality of Financial Reporting (MFR) 13/2011 , Role of the Compensation Committee (RCC) 14/2011 , Director Certification Program (DCP) 141/2011 , Financial Statements for Directors (FSD) 22/2013

Working Experience in the Last 5 Years

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

Relation to Management -Nil-

Legal Action -Nil-

Number of meetings attended/Number of total meetings (Times/2014)

Yuasa Battery (Thailand) PLC.

- ❖ Board of Directors Meeting 7/7 Times
- ❖ Annual General Shareholder Meeting 1/1 Times
- ❖ Remuneration Committee meeting 1/1 Times
- ❖ Audit Committee Meeting 12/12 Times

Other Current Positions

- ❖ Listed Company -Nil-
- ❖ Company -Nil-

Other business that may lead to conflict of interest -Nil-

Remark : Assistant Professor Dr.Lawan Thanadsillapakul has been appointed as Chairman of Audit Committee from January 27th, 2015.

Share Portion

-Nil-

Age 47 Years
Nationality Thai
Education Bachelor Degree of Economic and Bachelor Degree of Accounting Ramkhamhaeng University
Master Degree of Economic Development. The National Institution of Development Administration (NIDA)
Bachelor Degree of Law, SukhothaiThammathirat Open University
Tax Auditor

Working Experience in the Last 5 Years

2006-Present General Manager (Operation), Company Secretary, and Secretary of Management Committee, Yuasa Battery (Thailand) PLC.

Relation to Management -Nil-

Legal Action -Nil-

Remark : Mr.Sukthae Ruengwattanachot has been appointed as Chief Operating Officer from January 1st, 2015.



Miss Saowaluk Munghamane

Position : Financial and
Accounting Manager

Appointment : January 16, 2014
Period of Position : 1 Years



Share Portion

-Nil-

Age 44 Years
Nationality Thai
Education Master's Degree in Business
Administration, Burapha University

Working Experience in the Last 5 Years

Present Financial and Accountancy Manager
Yuasa Battery (Thailand) PLC.
2003-2012 Financial and Accountancy Manager
APIC Yamada (Thailand) Company
Limited.

Relation to Management -Nil-
Legal action -Nil-

Miss Darawan Suksawat

Position : Internal Audit Manager

Appointment : April 3, 2006
Period of Position : 7 Years 7 Months



Share Portion

-Nil-

Age 46 Years
Nationality Thai
Education Master of Business Administration
Program, Rangsit University
Bachelor of Business Administration
Program, Ramkhaeng University
Training Program "Financial Management 's
new visual", "Risk Management in
Financial & Accounting", "IT Audit
Practice and update new
knowledge", "Risk Assessment
Method for Internal Audit Planning",
"COSO Enterprise Risk Management
Integrated Framework", "Effective
Minute Taking"

Working Experience in the Last 5 Years

2006-Present Internal Audit Manager
Yuasa Battery (Thailand) PLC.

Relation to Management -Nil-
Legal action -Nil-



Mr.Komson Arunpan



Position : General Manager
(Quality)

Appointment : April 1, 2007

Period of Position : 5 Years

Share Portion

-Nil-

Age 44 Years
Nationality Thai
Education Bachelor of Science, Faculty of
Science Naresuan University

Working Experience in the Last 5 Years

Present General Manager (Plant),
Yuasa Battery (Thailand) PLC.
2007-2013 General Manager (Plant),
Yuasa Battery (Thailand) PLC.
2006-2007 Plant Manager
2006 Quality Assurance Manager

Relation to Management -Nil-
Legal action -Nil-



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 October 3rd, 2014 to December 31st, 2014. The information was disclosed to the shareholders via the news system of the Stock Exchange of Thailand. The criteria and process are clearly announced on the website of the Company, www.yuasathai.com, in the section of "Investment Data" under the topic of "Data of the Annual Meeting."



(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 : planning@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). 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's 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.

At the 2014 Shareholder Meeting, 9 out of 12 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 2014, the Company and its Subsidiary paid THB 2.51 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.



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.



(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 or 02-769-7300;

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

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

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

4. Disclosure and Transparency

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

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

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

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



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

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

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

4.2 Disclosure of Company's share of director and management

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

5. Board Responsibilities

The Board consists of directors with various qualifications which are having skills, experience and expertise that are useful to Company for setting the policy in short and long term including financial policy and risk management. Moreover, the Board plays 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.

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 Thailand 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. For 2014, no director attended any courses of the Institute of Directors.

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 2014, the Company prepared the documents for two new directors - Mr. Masashi Morimitsu and Mr. Goro Iwami.

5.8 Report of Interests

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

5.9 Business ethics

Company has emphasized on the importance of the ethics in operating a business which is considered as a principle for the Management and staff in performing their duties to be appropriate for the internal and external environment. Also the directors, the Management, and staff of Company can hold the ethics as a method to honestly perform duties to Company, the public and society in order to achieve Company's target. The business ethics of Company was disclosed on the website www.yuasathai.com



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

Sub-Committees

- **Audit Committee**

The Audit Committee comprises of 4 independent directors who hold 1 or less than 1 per cent of the Company's share. The members shall not be executives and must have knowledge, understanding and experience on accounting and/or finance. The Committee has duty to share burden of the Board of Directors in terms of control of corporate governance, especially on defining the visions and providing clear opinions on the financial reports and internal control. The members shall control the Company's compliance to the law, the rules and the relevant regulations as well as the complete disclosure of financial reports under the relevant standard and regulations. The reliable and quality financial reports add value to the organization.

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

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

- **Remuneration Committee**

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

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

- **Other Sub-Committees**

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

5.10 Recruitment and Appointment of Directors and Management

The Appointment of Directors

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

(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 directors of a subsidiary. The company has established the regulations of subsidiary Company to have the rules of entering into the related transaction, acquisition or disposition of assets, or making any other important items of subsidiaries. Its rules comply with the criteria of Company relating with the disclosure and entering into the transaction. Further, the Company will supervise to have the keeping of information and the accounting record of subsidiary Company in order that it could be checked and collected to make the consolidated financial statements on schedule.

5.12 Monitoring usage of inside information

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

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

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

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

- Report of the first securities holding (Form 59-1) within 30 days after the closed date of public offering or the date of appointment in a managerial position.
- Report of change of securities holding (Form 59-2), within 3 days after each sales, acquisition, transfer, or be transferred of securities.

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

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

5.13 Remuneration for the Auditor

According to the Section 120 of the Public Company Act B.E. 2535 and the Section 40 of the Principles of the Company, the Shareholders Meeting shall appoint an auditor and define the auditing remuneration



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

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

- **Audit fee**

In 2014, the Company and its Subsidiary paid the audit fee to D.I.A. International Co., Ltd., Company's auditor, amount to 1.8 million baht. The amount was divided into 1.3 million baht for Yuasa Battery (Thailand) PLC. and 0.5 million baht for the Subsidiary.

- **Non-audit fee**

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



10. Corporate Social Responsibility

1. Overview Policy and Operation of the Company

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

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

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

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

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

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

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

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

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

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

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

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

2. Major Activities for Social and Environmental Responsibilities in 2014

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. Number of accident cases reduced from the previous year. No one died or was seriously injured.

2.2 Improvement of the community and the society

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

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



- (2) Project for the Disabled at Siri Wattana Cheshire Foundation



- (3) Mothers' Day activity, hosted by Bangpoo Municipality (Samutprakan); medical check-up for the aged and visiting the patients living nearby



- (4) Visiting the nearby patients and aged



- (5) Buddhist Lent candle offering for the nearby Sothornnimit Temple



- (6) Afforestation at Bangpoo Recreation Centre



- (7) Cleaning the street to the factory with Bangpoo Municipality (Samutprakan)





2.3 Environmental care and protection

The Company recognizes that the battery business operation of the company might have the activities or processes that have an impact on the environment and the communities where Company operates. We believe that this is the responsibility of the Company to deal with these effects and find out the solutions effectively as possible. The Company commits to develop the role of the environment and to find out the best practices in developing the sustainable organizations by managing the environmental risks within the factory and reducing the energy consumption for preventing the environment, and promoting and encouraging the environmental awareness in the organization. In 2014, the Company has performed in many aspects as following:-

- (1) Improvement of melting oven of grid lines; to reduce soot.
- (2) Installation of 11 acid fume treatment pipes for Charging Section;
- (3) Improvement of gas burning system of Grid Section; the incomplete burning might produce smell and dust of gas within the factory site. The burner was, then, improved and installed. Other control systems were also developed, such as additional installation of filters and water nozzles for control of gas remaining from burning (if any).
- (4) Improvement of cooling system for working sites in hot environment, like grid lines, charging area and assembly lines of automobile battery
- (5) Reduction of usage of paper and printing ink; the Company tried to reduce purchase of paper and support reuse of paper. The employees were encouraged to communicate by e-mail and electronic scanned files. The Company also reduced usage of each department's printers and printing ink which negatively affected on the employees' health by providing central printers.



11. Internal Control and Risk Management

The opinion of Board of Directors and the Audit Committee

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

For the evaluation of the sufficiency of the Company's internal control system in 2014, the Audit Committee used the significant issues reported by the Committee to the Board throughout 2014 and the progress of the solving in pursuant to the suggestions made in 2013 as the data for the evaluation under COSO guidance. The COSO covered the issues about environmental control, risk assessment, activities control, information & communication and monitoring activities. At the Board of Directors Meeting no. 3/2015 held on February 23rd, 2015, the Board and the Committee mutually evaluated the sufficiency of the internal audit controls of the Company and its Subsidiary. The Board of Directors had the same opinion with the Audit Committee that the internal audit control was appropriate and sufficient for accurately making the Company's financial statements, sufficiently disclosing the data under the accounting standard and complying with the related law and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Moreover, in this year, the Audit Committee followed up to the results of the Management's solutions to the issues, commented by the Audit Committee last year, on the support for the participation of the executives in all levels into risk management and the establishment of the risk management committee. For this year, the Audit Committee kept giving priority to the Company's risk management. The pieces of advice on the Company's internal control system of 2014 were given as follows:

- (1) The Management should emphasize the executives in all levels to realize the risks which might happen from insufficient analysis of data;
- (2) The Company should support the employees to follow the Company's working process and to realize the damage which might occur from any breach of the internal control system;
- (3) The data collection for the Company's several database systems were still manual, inconvenient and delayed for the audit in the course of time, affecting on the decision making of the executives and the Management. Besides, it was a cause of delayed problem solving and insufficient internal control system.

According to the Audit Committee's suggestions, the Management had solutions to the issues as below:

- (1) The Management would monitor and inquire about the progress of the projects from time to time. The departments in charge might be requested to report the progress of the projects in the meetings. Also, the Management might propose additional suggestions and advice in the management meetings. However, the follow-up might take time for operation and execution of the improvement plan. The Management would improve the issues further;
- (2) The Management acknowledged and reiterated all of the employees to comply with the designated working procedures;
- (3) The Company's database systems needed further improvement. Initially, the Management strictly considered and controlled the disbursement of the investment budget. The Management considered the approval of the investment budget which was proposed in the form of request application. The request application must state details of the jobs to be approved, the used budget and the remaining budget as well as the overall progress of the project. The procedure was deemed as the specified internal control.



Head of internal audit Department of the company.

The Audit Department is under the supervision of the 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 the Audit Committee and Chief Executive Officer.

For the annual auditing plan, the 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 the Audit Committee.

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

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

Risk Management

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



12. Related Transaction

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

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

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

Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
	2013	2014		
-Agreement on borrowing the brand name "Yuasa" Company paid royalty in return for the borrowing. - Company's accrued expense	24.68 24.68	22.57 22.57	The fee is reasonable, fair and in line with the Agreement.	GYIN assisted in provision of training, shared production technology and allowed Company to use its trademark. Company paid the royalty in return to GYIN yearly. Training was provided for 60 days per year if exceeded, JPY40,000 was charged per day.
- Company bought batteries, materials, machines and spare parts. - Company sold batteries to GYIN. - Company's accrued expense - Company's accrued income - Assets payable - Service income	61.66 1.35 4.81 0.02 5.30 3.64	45.16 3.81 7.52 2.95 - 1.78	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.
- JPY291m short-term loan - JPY235m short-term loan - JPY1.65m accrued interest - JPY1.29m accrued interest The short-term loans and the accrued interests were calculated with Bank of Thailand's exchange rate on December 31.	- 74.23 - 0.41	- - - 0.41	The interest rate is reasonable and based on the market price.	- In Mar 07, Company borrowed JPY170m from GYIN at LIBOR (12 months) + 1% per year under a one-year agreement. Company partly paid the debt and renewed the agreement on the termination dates for one more year. The latest renewal extended the validity of the agreement from March 2012 to July 2012 at amount of THB120m. Now, the remaining debt is already repaid fully. - In Aug 07, Company borrowed JPY320m from GYIN at LIBOR (12 months) + 1%per year under a one - year agreement. Company partly paid the debt and renewed the agreement on the termination dates for one more year. (The next termination date is Aug 13.) The debt balances were JPY235m and JPY245m as at Dec 31, 13 and Dec 31, 12 respectively. - In Mar 08, Company borrowed JPY80m from GYIN at LIBOR (12 months) + 1% per year under a six-to-twelve-month agreement. Company partly paid the debt on the termination date. The debt balances were JPY56m at Dec 31, 12. The remaining debt was already repaid.



2. Transactions between Company and GS Yuasa Corporation or GYC

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

Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
	2013	2014		
- Loan guarantee fee	0.04	0.003	At mutually agreed price	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
	2013	2014		
- Management benefit expense	16.00	-	This 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. (Now, we have not paid the expense because it was under the process of appointment of executor)

4. Other transactions between Company and its related companies

Company	Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
		2013	2014		
Yuasa Battery (Malaysia)	- Company sold batteries.	51.90	43.07	The trading prices were the market's rate. The trading prices were the market's rate.	The transactions were normal; no any trading agreement The transactions were normal; no any trading agreement
	- Company's accrued income	5.09	1.62		
Taiwan Yuasa Battery	- Company's income from brokerage	2.63	1.37	The trading prices were the market's rate. The trading prices were the market's rate.	The transactions were normal; no any trading agreement The transactions were normal; no any trading agreement
	- Company's accrued income	0.52	0.42		

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

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

Company	Amount (Million Baht)		Price , Fee and Others	Remark
	2013	2014		
The Subsidiary purchased batteries from SGS.	-	12.60	The trading prices were in the market's rate.	The transactions were normal. The purchase orders were placed occasionally. The prices for purchasing the products from SGS were not higher than those purchased from the Company.



13. Summary of Financial Data

The Company's Operation (Unit: Million Baht)

	2010	2011	2012	2013	2014
Income from sale	1,774.89	1,870.09	1,891.17	1,735.10	1,668.27
Total revenues	1,836.89	1,943.53	1,936.04	1,762.05	1,679.80
Cost of sales	1,455.33	1,550.67	1,559.29	1,442.83	1,393.21
Gain on reversed impairment loss	-	31.40	-	-	-
Selling and administrative expenses	312.96	317.84	312.76	299.84	289.94
Loss on impairment of assets	-	-	-	-	-
Profit before Finance cost and income tax	68.60	106.42	63.99	19.38	(3.35)
Interest expenses	24.53	15.74	10.59	5.33	5.64
Income tax	-	-	(4.49)	1.34	1.51
Net profit	44.07	90.68	48.91	15.38	(7.47)
Total assets	1,014.41	1,082.56	945.64	925.00	871.60
Total liabilities	820.40	788.80	606.97	572.34	529.63
Total shareholders' equity	194.01	293.76	342.67	352.67	341.97

Basic Data Per Share (Unit: Baht)

	2010	2011	2012	2013	2014
Basic earnings per share	0.41	0.84	0.50	0.14	(0.07)
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	0.80	2.65	3.18	3.28	3.18
Par Value	1.00	1.00	1.00	1.00	1.00
Marketing Price	3.72	4.90	10.60	7.00	5.80
Dividend per share	0.00	0.00	0.05	0.03	0.00

Financial Ratio

	2010	2011	2012	2013	2014
Net profit margin (%)	2.40	4.67	2.76	0.80	(0.53)
Return on total assets (%)	4.10	8.69	5.26	1.50	(1.00)
Return on equity (%)	23.63	37.89	16.78	4.04	(2.59)
Announced dividend ratio on profit for the year (%)	-	-	34.88	20.93	N/A
Dividend payout ratio on profit for the year (%)	-	-	34.88	N/A	N/A
Return on revenue from sales (%)	2.48	4.85	2.82	0.81	(0.54)
EBITDA on total assets (%)	(0.34)	(2.68)	12.92	2.62	4.36
Debt to equity ratio(Times)	4.23	2.69	1.77	1.62	1.55
Price earnings ratio (Times)	9.07	5.83	23.55	50.00	(82.86)
Average debt collection period	52	47	41	43	42
Average debt payment period	81	79	73	80	82



14. Management Discussion and Analysis

Financial Position

Total Assets

The Company and its Subsidiary company had the total assets of 871.60 million baht as at December 31st, 2014, down by 53.41 million baht or 5.77 per cent from 2013. This was because the cash and cash equivalents declined by 56.05 million baht; the inventory reduced by 33.61 million baht; and the account receivables decreased by 10.63 million baht. Moreover, the properties, plants and equipment increased by 40.51 million baht. The decrease of the cash and the cash equivalents at the end of 2014 mainly came from the investment in improvement of buildings, equipment, machines and internal environment prolonging from 2013 after the sale of assets and relocation of the Gateway Plant to Bangpoo Plant. The decrease of inventory came from the lower production of batteries, due to the stagnant economy and political unrest in the past half year. The other debtors at the end of the period reduced from the last year, because the VAT waiting for refund from Revenue Department reduced by 4.90 million baht and the debtors of scrap repaid the debts totaling 6.62 million baht in the beginning of 2014.

Total Liabilities

The Company and its Subsidiary company had the total liabilities of 529.63 million baht as at December 31st, 2014, down by 42.70 million baht or 7.46 per cent from the previous year. The reasons of the decrease were (1) repayments of long-term loans amount to 5 million baht to financial institutes; and (2) a repayment of a short-term loan amount to 74.23 million baht to the related company. The short-term loans with the financial institutes increased 60 million baht, for investment in improvement of land, buildings, machines and equipment. Some were repayment of short-term loans to the related company.

The total account payables and other payables of 2014 were 308.79 million baht, down by 18.71 million baht from the previous year, because the lower sales of batteries led to lower purchases of raw materials.

Shareholders' Equity

As at December 31st, 2014, the Company and its subsidiary company had the Shareholders' Equity of 341.70 million baht, down by 10.70 million baht or 3.03 percent from the previous year. The reduction came from the Company and its Subsidiary company's loss in 2014 and payment of the dividend for 2013 amount to 3.23 million baht. The dividend was paid to the shareholders on May 22nd, 2014, according to the 2014 Shareholders Meeting held on April 24th, 2014.

Cash Flow

At the end of the 2014 accounting period, the Company and its Subsidiary company's net cash from operation activities was 38.02 million baht, up to 13.74 million baht from 2013. The increase came from (1) the control of inventory and the lower production of batteries (as a result of lower sales affected from the economic and political problems) caused decrease of 35.44 million baht in inventory; (2) the repayment of scrap debtors and refund of VAT from the Revenue Department caused decrease of 10.36 million baht in other debtors; and (3) the account payables and the other creditors decreased by 29.06 million baht.

For cash from investment activities, the amount dropped by 71.62 million baht from the payment for purchases of fixed assets and intangible assets amount to 72.36 million baht while the money receive from sale of fixed assets amount to 0.75 million. In 2013, the cash from investment activities increased by 28.65 million baht, because of 15.82 million baht from sale of the fixed assets and 58.79 million from payment for the fixed assets.

The cash from financing activities amount to 22.46 million baht decreased by 22.97 million baht from 2013. This was because the Company and its Subsidiary company repaid the short-term debts to the related company totaling 74.23 million baht. The short-term and long-term loans, amount to 55 million baht, were repaid to the financial institutes. Also, the dividend amount to 3.23 million baht was paid. However, in 2013, the Company and its Subsidiary company paid for the short-term loan to the related company, the long-term loans and the dividend amount to 20.05 million baht, 20 million baht and 5.38 million baht respectively.



Meanwhile, the Company and its Subsidiary company increased the borrowing with the financial institutes, amount to 60 million baht. The loan was made for operation and purchase of fixed assets and repayment of short term loan partly. It was also used as cash flow for operation. Some of the money was repaid to the related company for the short-term loan.

Business Results

In 2014, the Company and its Subsidiary company had the total income of 1,679.80 million baht which could be divided into the income from selling amount to 1,668.27 million baht and the other income of 11.53 million baht. Having considering only the income from selling, the sales amount decreased from 2013 by 66.83 million baht or 3.85 percent, due to decrease of domestic sales of car batteries and motorcycle batteries from the stagnant economy.

For other income amount to 11.53 million baht, it was the result of the unrealized profits from exchange rates. The figures decreased from 2013 by 15.42 million baht, because the Company and its Subsidiary company earned profits from selling the assets to the related company in 2013.

The Company and its Subsidiary company had the cost of goods sold of 1,393.21 million baht or 83.51 percent of the income from sale, up from the previous year, due to lower gross profits from sale from high competition and lower demand in the market resulting that the Company and its Subsidiary company had to reduce the selling price to compete and sell in the market.

The prices of pure lead, a main raw material of battery production, in 2014 could be summarized as below:

The average price of lead was at USD 2,097/ton, down by USD 46/ton or 2.17 per cent from USD 2,144/ton of 2013. The lead prices during 2014 fluctuated between USD 1,936-2,236/ton. The average price in the first half of the year was at USD 2,104, down from 2013. The average price in the third quarter increased again to USD 2,182/ton. However, the price continuously decreased in the fourth quarter from USD 2,038/ton in October to USD 2,023/ton in November and to USD 1,936/ton in December.

The Company and its Subsidiary company had the total selling and administrative expenses of 289.94 million baht in 2014 or 17.38 percent of the total income, down by 9.90 million baht or 3.30 percent from 2013. The decrease came from lower excise tax from lower sales. Moreover, the compensation payment of Ex-Chairman of Board of Director amount to 16 million baht was recognized in 2013.

The Company and its Subsidiary company paid interests of 5.64 million baht in 2014, up from the previous year by 0.30 million baht or 5.66 percent. It was the result of repayment of the short-term loan to the related company. However, there were interests for additional short-term loans made with the financial institute.

In conclusion, the Company and its Subsidiary company had the net comprehensive loss of 7.47 million baht or loss of 0.07 baht per share in 2014.

Financial Ratio

The ratio of current capital in 2014 was 1.11 times, down from the previous year. The current assets and the current liabilities decreased by 96.55 million bath and 44.52 million baht respectively. The decrease in the current assets came from the payment for purchases and improvement of machines and equipment as well as improvement of the buildings and the internal environment. The reduced inventory came from repayment of the short-term loan to the related company which further led to lower current liabilities.

The account receivable turnover in 2014 was 8.50 times approximately. The average period of collecting debt was around 42 days, down from the previous year. The period of paying debt was around 82 days, slightly up from 80 days in the previous year.

The gross profit ratio of 2014 was 16.49 per cent, down from 2013. This was because the higher competition led to lower gross profit.

In 2014, the ratio of liabilities per shareholders' equity decreased from the previous year to 1.55 times, due to the lower liabilities. Also, the shareholders' equity decreased from the net loss in 2014.



In addition, the performance to repay the debts in 2014, considered based on the ratio of performance to pay the interest, increased to 7.75 times from 5.55 times in 2013. Also, the ratio of performance to pay the liabilities in 2014 was 0.35 times, down from 0.43 times in 2013.

For dividend payment, according to the 2014 Shareholders Meeting held on April 24th, 2014, the meeting had the resolution to pay dividend from performance of 2013 to 107,625,000 shares of shareholders at 0.03 baht per share, totaling 3.23 million baht. The said dividend was already paid to the shareholders on May 22nd, 2014. The Board of Directors Meeting no. 2/2015 held on February 23rd, 2015, had a resolution to propose to Shareholders Meeting in 2015 not to pay dividend to the shareholders for the performance of 2014.



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 2014 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 31st, 2014 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

Katsumi Nakato
Director of the Board



16. Financial Statements

I have audited the accompanying consolidated and separate financial statements of YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED, which comprise consolidated and separate statements of financial position as at 31 December 2014, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED as at December 31, 2014, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards.

D I A International Audit Co., Ltd.

(Mrs.Suvimol Krittayakiern)

C.P.A. (Thailand)

Registration No.2982

23 February 2015



YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 AND 2013

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Assets					
Current assets					
Cash and cash equivalents	4	53,094,192	109,148,474	38,019,856	89,147,642
Trade and other receivables					
Trade accounts and notes receivable	5.1	198,231,459	194,384,320	305,451,139	294,373,272
Other receivables – related parties	20	422,844	519,879	686,463	774,146
Other receivables- unrelated parties	5.2	6,609,275	17,237,871	6,294,664	16,986,168
Inventories	6	277,856,195	311,468,655	265,847,314	298,300,316
Total current assets		536,213,965	632,759,199	616,299,436	699,581,544
Non-current assets					
Investment in subsidiary	7	-	-	-	-
Property, plant and equipment	8	313,582,374	273,077,020	310,170,065	269,753,807
Intangible assets	9	6,046,770	2,466,507	2,438,551	2,289,298
Deferred tax assets	10	7,482,052	5,970,148	7,682,032	6,170,128
Other non-current assets		8,277,297	10,736,830	8,277,297	10,736,829
Total non-current assets		335,388,493	292,250,505	328,567,945	288,950,062
Total assets		871,602,458	925,009,704	944,867,381	988,531,606
Liabilities and shareholders’ equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institution	11	130,000,000	70,000,000	130,000,000	70,000,000
Trade and other payables					
Trade and other payables-related parties	20	46,093,793	52,677,241	42,093,793	48,677,241
Trade and other payables- unrelated parties	12	308,790,627	327,496,225	290,231,738	309,744,960
Current portion of long-term loans	13	-	5,000,000	-	5,000,000
Short-term loans from related party	20.3	-	74,229,215	-	74,229,215
Total current liabilities		484,884,420	529,402,681	462,325,531	507,651,416
Non-current liabilities					
Employee benefit obligations	14.1	44,748,356	42,934,673	41,918,007	40,557,834
Total non-current liabilities		44,748,356	42,934,673	41,918,007	40,557,834
Total liabilities		529,632,776	572,337,354	504,243,538	548,209,250
Shareholders’ equity					
Share capital					
Authorized share capital 107,625,000 ordinary shares of Baht 1.00 each		107,625,000	107,625,000	107,625,000	107,625,000
Paid-up share capital 107,625,000 ordinary shares of Baht 1.00 each		107,625,000	107,625,000	107,625,000	107,625,000
Premium on share capital		171,075,000	171,075,000	171,075,000	171,075,000
Retained earnings (deficit)					
Appropriated					
Legal reserve	15	26,906,250	26,906,250	26,906,250	26,906,250
Unappropriated		36,363,432	47,066,100	135,017,593	134,716,106
Total shareholders’ equity		341,969,682	352,672,350	440,623,843	440,322,356
Total liabilities and shareholders’ equity		871,602,458	925,009,704	944,867,381	988,531,606

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

YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 AND 2013

Note	Paid-up Share capital	Premium on share capital	Retained earnings (Deficit)		Total shareholders' equity
			Legal reserve	Unappropriated	
Balance as at 31 December 2013	107,625,000	171,075,000	26,906,250	47,066,100	352,672,350
Dividend payment	-	-	-	(3,228,699)	(3,228,699)
Total comprehensive income (expenses) for the year	-	-	-	(7,473,969)	(7,473,969)
Balance as at 31 December 2014	107,625,000	171,075,000	26,906,250	36,363,432	341,969,682
Balance as at 31 December 2012 (after restatement)	107,625,000	171,075,000	26,906,250	37,059,962	342,666,212
Dividend payment	-	-	-	(5,381,139)	(5,381,139)
Total comprehensive income (expense) for the year	-	-	-	15,427,246	15,427,246
Other comprehensive income (expense) for the period	-	-	-	(39,969)	(39,969)
Balance as at 31 December 2013 (after restatement)	107,625,000	171,075,000	26,906,250	47,066,100	352,672,350

YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 AND 2013

Note	Paid-up Share capital	Premium on share capital	Retained earnings (Deficit)		Total shareholders' equity
			Legal reserve	Unappropriated	
Balance as at 31 December 2013	107,625,000	171,075,000	26,906,250	134,716,106	440,322,356
Dividend payment	-	-	-	(3,228,699)	(3,228,699)
Total comprehensive income (expense) for the year	-	-	-	3,530,185	3,530,185
Balance as at 31 December 2014	107,625,000	171,075,000	26,906,250	135,017,592	440,623,842
Balance as at 31 December 2012 (after restatement)	107,625,000	171,075,000	26,906,250	130,165,473	435,771,723
Dividend payment	-	-	-	(5,381,139)	(5,381,139)
Total comprehensive income (expense) for the period	-	-	-	11,003,975	11,003,975
Other comprehensive income (expense) for the period	-	-	-	(1,072,203)	(1,072,203)
Balance as at 31 December 2013 (after restatement)	107,625,000	171,075,000	26,906,250	134,716,106	440,322,356

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

YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FFOR THE YEAR ENDED 31 DECEMBER 2014 AND 2013

		Unit: Baht			
Note	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
Revenues from sales	1,668,272,503	1,735,098,850	1,617,726,591	1,690,643,185	
Cost of sales	(1,393,208,340)	(1,442,831,790)	(1,383,738,204)	(1,450,407,419)	
Gross profit	275,064,163	292,267,060	233,988,387	240,235,766	
Other income	11,527,448	26,949,453	12,225,179	26,316,300	18
Profit before expenses	286,591,611	319,216,513	246,213,566	266,552,066	
Expenses					
Selling expenses	(212,319,448)	(215,074,507)	(176,317,483)	(184,879,381)	
Administrative expenses	(77,622,638)	(84,764,588)	(62,242,404)	(66,460,479)	
Finance costs	(5,635,398)	(5,333,475)	(5,635,398)	(5,333,475)	
Total expenses	(295,577,484)	(305,172,570)	(244,195,285)	(256,673,335)	
Profit (loss) before income tax	(8,985,873)	14,043,943	2,018,281	9,878,731	
Income tax income (expenses)	1,511,904	1,383,303	1,511,904	1,125,244	10
Profit (loss) for the year	(7,473,969)	15,427,246	3,530,185	11,003,975	
Other comprehensive income (expense) for the period net of tax	-	(39,969)	-	(1,072,203)	
Total comprehensive income (expenses) for the year	(7,473,969)	15,387,277	3,530,185	9,931,772	
Attributable to:					
Owners of the Company	(7,473,969)	15,387,277	3,530,185	9,931,772	
Non-controlling interests	-	-	-	-	
	(7,473,969)	15,387,277	3,530,185	9,931,772	
Earnings per share					
Basic earnings per share	(0.07)	0.14	0.03	0.10	
Number of weighted average ordinary shares	107,625,000	107,625,000	107,625,000	107,625,000	

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



YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit (loss) before income tax	(8,985,873)	14,043,943	2,018,281	9,878,731
Adjustments to reconcile net profit to net cash provided by (used in) from operating activities				
Employee benefit provisions	5,282,864	4,892,233	4,818,204	4,500,545
Depreciation of assets	31,158,763	28,657,858	30,765,159	28,227,156
Amortization	1,470,257	1,547,026	1,214,717	1,414,019
Interest expenses	5,635,398	5,333,475	5,635,398	5,333,475
Unrealized loss (gain) on exchange rate	(414,258)	(6,713,614)	(414,258)	(6,713,614)
Doubtful accounts	1,107,091	-	-	-
-Allowance for doubtful accounts (reversal)	(6,000)	(875,953)	(6,000)	(705,915)
Allowance for devaluation of inventories and reversal	(1,822,590)	2,281,600	(1,457,493)	1,737,069
(Gain) Loss on adjustment and write-off assets	121,891	5,750	121,891	5,750
(Gain) on disposal of property, plant and equipment	(717,397)	(11,190,345)	(474,407)	(10,688,112)
Profit from operating activities before changes in operating assets and liabilities	32,830,146	37,981,973	42,221,492	32,989,104
Decrease (Increase) in operating assets				
Trade accounts and notes receivable	(4,860,957)	(10,986,912)	(10,984,594)	(14,736,092)
Other receivables- related parties	99,060	1,397,886	89,708	1,260,346
Other receivables- unrelated parties	10,628,594	(5,057,318)	10,691,504	(4,887,892)
Inventories	35,435,050	(3,246,100)	33,910,495	1,327,139
Other non-current assets	2,355,057	1,561,471	2,354,673	1,561,472
Decrease (Increase) in operating assets	43,656,804	(16,330,973)	36,061,786	(15,475,027)
(Decrease) Increase in operating liabilities				
Trade and other payables- related parties	(27,655,751)	(1,524,456)	(6,198,973)	(5,524,456)
Trade and other payables- unrelated parties	(1,404,130)	12,797,904	(23,668,532)	18,813,029
Employee benefit paid	(3,469,181)	(3,210,597)	(3,458,031)	(3,198,418)
(Decrease) Increase in operating liabilities	(32,529,062)	8,062,851	(33,325,536)	10,090,155
Cash generated (paid) from operation				
Interest paid	(6,042,321)	(5,581,646)	(6,042,321)	(5,581,646)
Income tax received	203,499	242,797	203,499	242,797
Income tax paid	(99,023)	(97,396)	(98,640)	(97,396)
Net cash provided by (used in) operating activities	38,020,043	24,277,606	39,020,280	22,167,987
Cash flows from investing activities				
Payments for fixed assets acquisition	(67,461,089)	(57,629,562)	(66,978,390)	(57,623,199)
Payments for intangible assets acquisition	(4,901,608)	(1,162,750)	(1,215,058)	(1,118,850)
Proceeds from sales of fixed assets	746,286	15,823,554	503,296	15,321,309
Net cash provided by (used in) investing activities	(71,616,411)	(42,968,758)	(67,690,152)	(43,420,740)
Cash flows from financing activities				
Proceeds from short-term loans from financial institution	110,000,000	-	110,000,000	-
Repayments for short-term loans from financial institutions	(50,000,000)	-	(50,000,000)	-
Repayments for short-term loans from related party	(74,229,215)	(20,045,760)	(74,229,215)	(20,045,760)
Repayment for long-term loans	(5,000,000)	(20,000,000)	(5,000,000)	(20,000,000)
Payments for dividend	(3,228,699)	(5,381,139)	(3,228,699)	(5,381,139)
Net cash provided by (used in) financing activities	(22,457,914)	(45,426,899)	(22,457,914)	(45,426,899)
Net increase (decrease) in cash and cash equivalents	(56,054,282)	(64,118,051)	(51,127,786)	(66,679,652)
Cash and cash equivalents at the beginning of period	109,148,474	173,266,525	89,147,642	155,827,294
Cash and cash equivalents at the ending of period	53,094,192	109,148,474	38,019,856	89,147,642

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



**YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. GENERAL INFORMATION

Name	: Yuasa Battery (Thailand) Public Company Limited ("The Company")
Registration	: The Company was incorporated as a public limited company in Thailand and is a listed company in Market for Alternative Investment on 21 November 1994.
Location- Head office	: 164, Moo 5, Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muangsamutprakan, Samutprakan.
Type of business	: The Company is engaged in business of manufacturing battery for automobiles and motorcycles.
Major shareholder	: Five major shareholders are below:

31 December 2014
(%)

1. GS Yuasa International Ltd. (incorporated in Japan)	40.69
2. Metropolitan Motor Service Co., Ltd. (incorporated in Thailand)	19.13
3. Siam Motors Parts Co., Ltd.	7.57
4. Fuij Mercantile Co., Ltd.	6.48
5. Central Agency Co., Ltd.	5.45
6. Manu thamma Group	3.20

2. BASIS OF FINANCIAL STATEMENTS PRESENTATION AND PREPARATION

2.1 Financial statements preparation

The accompanying consolidated and separate financial statements have been prepared in conformity with The Financial Reporting Standards, enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by Ministry of Commerce dated 28 September 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The accompanying consolidated and separate financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2 The issued and revised financial reporting standards that are effective for the current year.

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations committee and financial reporting interpretations committee which are expected to be effective for the financial statements beginning on or after 1 January 2014 as detailed below:

<u>Accounting Standards</u>	<u>Contents</u>
TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Venture
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets



Financial Reporting Standards

TFRS 2 (Revised 2012)
TFRS 3 (Revised 2012)
TFRS 5 (Revised 2012)
TFRS 8 (Revised 2012)

Standing Interpretations committee

TSIC 15
TSIC 27

TSIC 29

TSIC 32

Financial Reporting Interpretations Committee

TFRIC 1

TFRIC 4

TFRIC 5

TFRIC 7

TFRIC 10

TFRIC 12

TFRIC 13

TFRIC 17

TFRIC 18

Share-Based Payments

Business Combinations

Non-current Asset Held for Sale and Discontinued Operations

Operating Segments

Contents

Operating Leases-Incentives

Evaluating the Substance of Transactions Involving the Legal Form of a Lease

Service Concession Arrangements: Disclosures

Intangible Assets - Website Costs

Changes in Existing Decommissioning, Restoration and Similar Liabilities

Determining whether an Arrangement contains a Lease

Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

Applying the Restatement Approach under TAS 29

Financial Reporting in Hyperinflationary Economies

Interim Financial Reporting and Impairment

Service Concession Arrangements

Customer Loyalty Programmes

Distributions of Non-Cash Assets to Owners

Transfers of Assets from Customers

Accounting standards, financial reporting standards, standing interpretations committee and financial reporting interpretations committee, and believes that they will have no significantly impacts on the financial statements.

2.3 Financial reporting standards in issue but not yet adopted

The Company has not adopted the following new and revised TFRS that have been issued as at the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial statements period beginning on or after January 1 in the year indicated following :

Financial Reporting Standards

Contents

Effective year

Conceptual Framework for Financial Reporting (Revised 2014)

Accounting standards

TAS 1 (Revised 2014)

TAS 2 (Revised 2014)

TAS 7 (Revised 2014)

TAS 8 (Revised 2014)

Presentation of Financial Statements

Inventories

Statement of Cash Flows

Accounting Policies, Changes in Accounting

Estimates and Errors

TAS 10 (Revised 2014)

Events After the Reporting Period

TAS 11 (Revised 2014)

Construction Contracts

TAS 12 (Revised 2014)

Income Taxes

TAS 16 (Revised 2014)

Property, Plant and Equipment

TAS 17 (Revised 2014)

Leases

TAS 18 (Revised 2014)

Revenue

TAS 19 (Revised 2014)

Employee Benefits

TAS 20 (Revised 2014)

Accounting for Government Grants and

Disclosure of Government Assistance

TAS 21 (Revised 2014)

The Effects of Changes in Foreign Exchange Rates

TAS 23 (Revised 2014)

Borrowing Costs

TAS 24 (Revised 2014)

Related Party Disclosures

TAS 26 (Revised 2014)

Accounting and Reporting by Retirement

Benefit Plans

TAS 27 (Revised 2014)

Separate Financial Statements

2015

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<u>Accounting standards</u>		
TAS 28 (Revised 2014)	Investments in Associates and Joint Venture	2015
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies	2015
TAS 33 (Revised 2014)	Earnings per Share	2015
TAS 34 (Revised 2014)	Interim Financial Reporting	2015
TAS 36 (Revised 2014)	Impairment of Assets	2015
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (Revised 2014)	Intangible Assets	2015
TAS 40 (Revised 2014)	Investment Property	2015
<u>Financial Reporting Standards</u>		
TFRS 2 (Revised 2014)	Share-Based Payments	2015
TFRS 3 (Revised 2014)	Business Combinations	2015
TFRS 4 (Revised 2014)	Insurance Contracts	2016
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Resources	2015
TFRS 8 (Revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
<u>Standing Interpretations committee</u>		
TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities	2015
TSIC 15 (Revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (Revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 29 (Revised 2014)	Service Concession Arrangements: Disclosures	2015
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs	2015
<u>Financial Reporting Interpretations committee</u>		
TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (Revised 2014)	Determining Whether an Arrangement Contains a Lease	2015
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) <i>Financial Reporting in Hyperinflationary Economies</i>	2015
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 12 (Revised 2014)	Service Concession Arrangements	2015
TFRIC 13 (Revised 2014)	Customer Loyalty Programmers	2015
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 Employee Benefits	2015
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate	2015



Financial Reporting Interpretations committee

TFRIC 17 (Revised 2014)	Distributions of Non - cash Assets to Owners	2015
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers	2015
TFRIC 20	Stripping Costs in the Production Phase of Surface Mine	2015

The management expects that the Company will apply and adopt the issued and revised financial reporting standards in accordance with the notification of the Federation of Accounting Professions and is being evaluated the effect of those issued and revised financial reporting standards on the Company's financial statements which expected that they will have no significantly impacts on the financial statements in the year in which they are initially applied.

2.4 The consolidated financial statements consist of the financial statements of Yuasa Battery (Thailand) Public Company Limited which held in its subsidiary shares capital as follows:-

	Percentage	Type of business	Relationship
Yuasa Sales and Distribution Co., Ltd.	99.99	Sales of battery for automobiles and motorcycles	Shareholder, control by director

2.5 Transaction with related companies

Inter-company transactions have been eliminated in the consolidated financial statements.

2.6 The consolidated financial statements have been presented the consolidated financial position and results of operations of Yuasa Battery (Thailand) Public Company Limited and its subsidiary. The usefulness of transaction of consolidated financial statements for other purposes may be limited due to the difference business of those consolidated companies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income and Expenses Recognition

3.1.1 Revenues from sales of goods are recognized as income when the significant risk and rewards of ownership have been transferred to the buyer.

3.1.2 Rental and services income relating to land, building and equipment are recognized on an accrual basis.

3.1.3 Revenues from dividend are recognized as income when the shareholder's right to receive payment is established.

3.1.4 Other income and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, which are due within 3 months and without restriction on withdrawal.

3.3 Trade accounts receivable and allowance for doubtful accounts

The Company and subsidiary presented trade accounts receivable at net of allowance for doubtful accounts and provides the allowance for doubtful accounts equal to the estimated loss from uncollectable. The estimated loss are based on historical collection experience and review of the current status of existing receivable.

3.4 Inventories

Inventories in the consolidated and separate financial statements are stated at the lower of cost or net realizable value. Cost is determined by using standard cost which closed to actual cost by first-in first-out basis.

3.5 Investments in subsidiary

Investments in subsidiary in the separate financial statements are stated at cost less provision for impairment (if any).

3.6 Capitalization of borrowing costs

Borrowing costs are capitalized to the extent that the Company and subsidiary have incurred borrowing costs on assets that require a period of time to get them ready for their intended use.

3.7 Property, plants and equipment and depreciation

3.7.1 Lands are valued at cost.

3.7.2 Building and equipment are valued at cost less accumulated depreciation and provision for impairment (if any).



The depreciation is computed on straight-line method as follows :

	Number of years
Building and construction	33
Machinery and equipment	10-15
Office equipment and furniture	5
Vehicles	5

The Company and subsidiary are required to include costs of asset dismantlement, removal and restoration as parts of cost of property, plant and equipment, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with the cost that is significant in relation to the total cost of asset item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

3.8 Intangible assets

Intangible asset represents computer software are stated at cost less accumulated amortization which will be amortized on a straight line basis over the estimated useful lives for the period of 5 years.

3.9 Deferred tax assets

Deferred tax assets are recognized in respect to temporary differences only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of temporary differences. Significant management judgment is required to determine the amount of deferred tax assets that can be utilized, based on the timing and level of estimated future taxable profits.

3.10 Impairment of assets

The Company and subsidiary have assessed the impairment of land, building and equipment, investment and intangible assets whenever events or changes indicate that the carrying amount of assets exceeds its recoverable value. The impairment loss will be recognized in statements of comprehensive income. The Company will reverse the impairment loss whenever there is no longer impairment or reduction in impairment.

Recoverable value of asset is either the net selling price or value from utilization of that asset, whichever is higher. The impairment will be estimated from each item of assets or each asset unit generating cash flow, whichever is practical.

3.11 Long-term lease agreement

Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of comprehensive income over the lease term.

Financial lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as a financial lease. The Company and subsidiary capitalized the equipment at the lower of estimated present value of the underlying lease payments or at the fair value of the equipment at the contractual date. The lease obligation reduced with financial costs will be recorded as long-term liability. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest is recognized as expenses in the statements of comprehensive income over the period of the lease. The depreciation policy for assets acquired under financial lease agreement is determined on the useful lives or over the period of the lease whichever is lower.

3.12 Directors' remuneration and management benefit expenses

3.12.1 Directors' remuneration

The directors' remuneration is benefits paid to directors of the Company as per section 90 of the Public Company Limited Act excluding salaries and related fringe benefits paid to executive directors.

3.12.2 Management benefit expenses

Management benefit expenses focuses expenses relating to salaries, and other benefits to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer, all persons in positions comparable to these fourth executive levels and includes the accounting and financial executive officer, the manager level above or persons in position comparable.

3.13 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to the items recognized 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 period, using tax rates enacted or substantively enacted at the reporting date, and any tax adjustment in the period.

Deferred tax is recognized in respect of temporary differences between the book value of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized if it is probable that they will not utilize in the foreseeable future.

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

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax and the increase of taxes and interest payment. The Group/Company believes that its accruals for tax liabilities are adequate for future tax payment based on its assessment of many factors, including interpretations of tax law and past experience. This assessment relies on estimates and assumptions and may involve a series of judgements in future events. The new information may cause the Group/Company to change its judgement depending on the adequacy of existing tax liabilities; The change of tax liabilities will impact income tax expense in the period that happen to change.

Deferred tax assets and liabilities can be offset if there is a legally enforceable right to offset current tax assets and liabilities, and these income taxes levied by the same tax authority on the same taxable entity, on different tax entity, For different tax entity, it intends to settle current tax liabilities and assets on a net basis or intends to simultaneously receive asset and liabilities repayment.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be adequate for the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting period and reduced to the extent that the tax benefit will be probably used.

3.14 Accounting estimates

Preparation of financial statements in conformity with the financial reporting standards required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

The estimates and assumptions may have a risk of causing an adjustment to the assets in the next financial year related to provisions for employee benefits which is estimated by the actuary based on actuarial method and certified by the management at the statements of financial position date. It is propable that the estimates may have uncertain since the project's nature is to be long-term other estimates are further described in the corresponding disclosures.

3.15 Provisions

The Company and subsidiary recognized a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company and subsidiary settle the obligation. The amount recognized should not exceed the amount of the provision.

3.16 Related parties transaction

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Company. Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company which has a power in planning and operating control.

3.17 Foreign currency transactions

3.17.1 Foreign currency transactions are converted into Baht at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies outstanding at the statements of financial position date are converted into Baht at that date.

Exchange gain or loss from settlement and conversion is recognized in the statements of comprehensive income.

3.17.2 The Company uses SWAP contracts and Forward contracts in assets and liabilities management activities to control exposure to fluctuations in interest and foreign exchange rates. Gains and losses on the said contracts designated as hedges of existing assets and liabilities are recognized as income or expenses in the statements of comprehensive income.

3.18 Earnings per share

Earnings (Loss) per share as presented in the statements of comprehensive income is the basic earnings (loss) per share which is determined by dividing total comprehensive income(expense) for the year by the number of weighted average ordinary shares issued and paid-up.



3.19 Financial instruments

Financial assets in the statement of financial position include cash and cash equivalents, trade accounts receivables and other current assets. Financial liabilities in statement of financial position consist of short-term loans from financial institution, trade accounts receivable, other current liabilities and long-term loans. The particular recognition methods adopted are disclosed in the individual policy associated with each items.

3.20 Provident fund and employee benefits

3.20.1 Provident fund

The Company and subsidiary have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

3.20.2 Employee benefits

The Company and subsidiary provide for post employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Company and subsidiary determine the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Company and subsidiary consider the market yield based on Thai government bonds with currency and term similar to the estimated term of benefit obligation.

The principal actuarial assumptions used were as follows:

Assumption

Discount rate	3.89%
Salary increment	4.50%
Employee turnover	5.00%
Mortality	0 - 9%

4. CASH AND CASH EQUIVALENTS

As at 31 December 2014 and 2013 consist of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	175,576	212,350	105,089	96,502
Current accounts	94,800	94,800	57,253	57,800
Savings deposit	52,748,188	108,187,421	37,857,514	88,993,340
Cheque for deposit	75,628	653,903	-	-
Total	53,094,192	109,148,474	38,019,856	89,147,642

5. TRADE AND OTHER RECEIVABLES

5.1 Trade accounts receivable and note receivable

As at 31 December 2014 and 2013 consist of:

	Note	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Related parties					
Undue		4,558,599	5,108,368	179,741,730	177,686,003
Overdue less than 3 months		11,289	-	34,465,177	20,438,379
Total related parties	20.2	4,569,888	5,108,368	214,206,907	198,124,382
Other parties					
Undue		171,336,621	166,258,508	82,576,519	84,465,435



Note	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Overdue				
Less than 3 months	19,085,487	18,081,287	8,173,611	10,691,162
More than 3-6 months	39,360	1,093,205	2,548	1,092,256
More than 6-12 months	2,198	2,221	-	-
More than 12 months	28,903,555	29,012,028	982,963	497,446
Total other parties	219,367,221	214,447,249	91,735,641	96,746,299
Less Allowance for doubtful accounts	(25,705,650)	(25,171,297)	(491,409)	(497,409)
Net-other parties	193,661,571	189,275,952	91,244,232	96,248,890
Trade accounts receivable-net	198,231,459	194,384,320	305,451,139	294,373,272

As at 31 December 2014, subsidiary has a trade accounts receivable which passed overdue more than 6 years amount of Baht 2.93 million. Such trade accounts receivable used land as collateral which is being made installment and disposed collateral. The management believes that the collateral is covered the outstanding debts of receivable, therefore, allowance for doubtful accounts is not provided.

5.2 Other receivables-unrelated parties

As at 31 December 2014 and 2013 consist of :

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other receivables	566,665	6,620,494	-	6,246,261
Allowance for doubtful accounts-other receivables	(372,444)	(372,444)	-	-
Other receivables-net	194,221	6,248,050	-	6,246,261
Prepaid expenses	2,824,823	3,047,056	2,801,734	2,993,227
Revenue Department receivable	2,631	4,930,533	2,631	4,930,533
Advance payment	1,561,844	568,876	1,501,037	417,012
Tax rebate	1,485,387	1,856,516	1,485,387	1,856,516
Others	540,369	586,840	503,875	542,619
Total	6,609,275	17,237,871	6,294,664	16,986,168

6. INVENTORIES

As at 31 December 2014 and 2013 consist of

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Finished goods	69,768,439	68,217,318	57,527,007	54,451,330
Work in process	48,654,841	46,545,355	48,654,841	46,545,355
Raw materials and semi-raw materials	119,417,039	168,472,994	119,417,039	168,472,994
Supplies	29,177,197	28,732,176	29,177,197	28,732,176
Goods in transit	11,802,568	2,287,291	11,802,567	2,287,291
Total	278,820,084	314,255,134	266,578,651	300,489,146
(Less) Allowance for devaluation of inventories	(963,889)	(2,786,479)	(731,337)	(2,188,830)
Inventories-net	277,856,195	311,468,655	265,847,314	298,300,316



7. INVESTMENT IN SUBSIDIARY

Company's name	Separate financial statements				Unit: Baht
	Percentage	Paid up share capital		Cost Method	
	31 December 2014/ 31 December 2013 99.99%	2014	2013	2014	2013
Yuasa Sales and Distribution Co., Ltd.	Balance	1,000,000	1,000,000	999,900	999,900
	Allowance for Devaluation of investment	-	-	(999,900)	(999,900)
	Total	1,000,000	1,000,000	-	-

The book value of investment in Yuasa Sales and Distribution Company Limited (based on the latest audited financial statements) was less than a cost of investment. The Company set up the full allowance for declining in both of them in the separate financial statements.

8. PROPERTY, PLANT AND EQUIPMENT

	Consolidated financial statements					Unit : Baht
	Balance as at 31 December 2012	Increase	Disposal/ Write off	Transfer in/out	Adjustment	Balance as at 31 December 2013
Cost:						
Land	24,932,894	779,000	-	-	-	25,711,894
Building and construction	82,031,849	90,750	-	7,408,758	-	89,531,357
Machine and tools	760,385,570	9,620,955	(55,405,983)	8,485,753	(1,653,576)	721,432,719
Furniture and equipment	38,735,323	2,995,519	(3,648,749)	-	(5,907)	38,076,186
Vehicles	5,747,556	-	(2,691,174)	-	-	3,056,382
Total	911,833,192	13,486,224	(61,745,906)	15,894,511	(1,659,483)	877,808,538
Accumulated depreciation:						
Building and construction	(37,456,780)	(1,974,749)	-	-	-	(39,431,529)
Machine and tools	(606,595,543)	(23,960,779)	50,782,727	-	1,647,826	(578,125,769)
Furniture and equipment	(31,869,875)	(2,682,518)	3,638,805	-	5,907	(30,907,681)
Vehicles	(5,707,730)	(39,812)	2,691,165	-	-	(3,056,377)
Total	(681,629,928)	(28,657,858)	57,112,697	-	1,653,733	(651,521,356)
Building under construction	13,500,205	12,742,493	-	(7,408,758)	-	18,833,940
Machine under installation	6,588,318	29,853,333	-	(8,485,753)	-	27,955,898
Property, plant and equipment-net	250,291,787					273,077,020

	Consolidated financial statements					Unit : Baht
	Balance as at 31 December 2013	Increase	Disposal/ Write off	Transfer in/out	Adjustment	Balance as at 31 December 2014
Cost:						
Land	25,711,894	-	-	-	-	25,711,894
Building and construction	89,531,357	6,890,718	-	19,498,434	-	115,920,509
Machine and tools	721,432,719	40,572,747	(12,042,877)	37,855,033	-	787,817,622
Furniture and equipment	38,076,186	3,610,204	(1,811,530)	-	(6,617)	39,868,243
Vehicles	3,056,382	-	(742,991)	-	-	2,313,391
Total	877,808,538	51,073,669	(14,597,398)	57,353,467	(6,617)	971,631,659
Accumulated depreciation:						
Building and construction	(39,431,529)	(2,434,303)	-	-	-	(41,865,832)
Machine and tools	(578,125,769)	(25,792,971)	12,014,697	-	-	(591,904,043)
Furniture and equipment	(30,907,681)	(2,931,489)	1,810,821	-	6,356	(32,021,993)
Vehicles	(3,056,377)	-	742,990	-	-	(2,313,387)
Total	(651,521,356)	(31,158,763)	14,568,508	-	6,356	(668,105,255)
Building under construction	18,833,940	3,265,370	-	(19,498,434)	(24,902)	2,566,974
Machine under installation	27,955,898	17,484,859	-	(37,855,033)	(96,728)	7,488,996
Property, plant and equipment-net	273,077,020					313,582,374

Depreciation for the year ended 31 December 2014 amounted to Baht 31.16 million.



Unit : Baht

	Separate financial statements					Balance as at 31 December 2013
	Balance as at 31 December 2012	Increase	Disposal/ Write off	Transfer in/out	Adjustment	
Cost:						
Land	22,653,990	779,000	-	-	-	23,432,990
Building and construction	80,121,147	90,750	-	7,408,758	-	87,620,655
Machine and tools	760,385,570	9,620,955	(55,405,983)	8,485,753	(1,653,576)	721,432,719
Furniture and equipment	35,509,140	2,989,155	(3,599,980)	-	(5,907)	34,892,408
Vehicles	1,206,850	-	(450,000)	-	-	756,850
Total	899,876,697	13,479,860	(59,455,963)	15,894,511	(1,659,483)	868,135,622
Accumulated depreciation:						
Building and construction	(36,245,457)	(1,879,214)	-	-	-	(38,124,671)
Machine and tools	(606,595,543)	(23,960,779)	50,782,727	-	1,647,826	(578,125,769)
Furniture and equipment	(29,373,147)	(2,387,163)	3,590,040	-	5,907	(28,164,363)
Vehicles	(1,206,849)	-	449,999	-	-	(756,850)
Total	(673,420,996)	(28,227,156)	54,822,766	-	1,653,733	(645,171,653)
Building under construction	13,500,205	12,742,493	-	(7,408,758)	-	18,833,940
Machine under installation	6,588,318	29,853,333	-	(8,485,753)	-	27,955,898
Property, plant and equipment-net	246,544,224					269,753,807

Unit : Baht

	Separate financial statements					Balance as at 31 December 2014
	Balance as at 31 December 2013	Increase	Disposal/ Write off	Transfer in/out	Adjustment	
Cost:						
Land	23,432,990	-	-	-	-	23,432,990
Building and construction	87,620,655	6,890,718	-	19,498,434	-	114,009,807
Machine and tools	721,432,719	40,572,747	(12,042,877)	37,855,033	-	787,817,622
Furniture and equipment	34,892,408	3,127,503	(1,811,530)	-	(6,617)	36,201,764
Vehicles	756,850	-	-	-	-	756,850
Total	868,135,622	50,590,968	(13,854,407)	57,353,467	(6,617)	962,219,033
Accumulated depreciation:						
Building and construction	(38,124,671)	(2,338,768)	-	-	-	(40,463,439)
Machine and tools	(578,125,769)	(25,792,971)	12,014,697	-	-	(591,904,043)
Furniture and equipment	(28,164,363)	(2,633,420)	1,810,821	-	6,356	(28,980,606)
Vehicles	(756,850)	-	-	-	-	(756,850)
Total	(645,171,653)	(30,765,159)	13,825,518	-	6,356	(662,104,938)
Building under construction	18,833,940	3,256,370	-	(19,498,434)	(24,902)	2,566,974
Machine under installation	27,955,898	17,484,859	-	(37,855,033)	(96,728)	7,488,996
Property, plant and equipment-net	269,753,807					310,170,065

Depreciation for the year ended 31 December 2014 amounted to Baht 30.77 million.

Unit: million Baht

Description	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost of building and equipment which were fully depreciated but are still in use	321.77	318.83	317.89	314.77

Land with its construction structured on some plot of land were mortgaged as collateral against credit line obtained from bank as stated in note 11 and 13.



9. INTANGIBLE ASSETS

Unit : Baht

	Consolidated financial statements				Balance as at 31 December 2014
	Balance as at 31 December 2013	Increase	Disposal/ Write off	Transfer in/(out) Adjustment	
Cost:					
Computer software	20,213,907	5,050,520	(1,104,537)	-	24,159,890
Total	20,213,907	5,050,520	(1,104,537)	-	24,159,890
Accumulated depreciation:					
Computer software	(17,747,400)	(1,470,257)	1,104,537	-	(18,113,120)
Total	(17,747,400)	(1,470,257)	1,104,537	-	(18,113,120)
Intangible assets-net	2,466,507				6,046,770

Amortization for the year ended 31 December 2014 amounted to Baht 1.47 million.

Unit : Baht

	Separate financial statements				Balance as at 31 December 2014
	Balance as at 31 December 2013	Increase	Disposal/ Write off	Transfer in/out Adjustment	
Cost:					
Computer software	18,380,845	1,363,970	-	-	19,744,815
Total	18,380,845	1,363,970	-	-	19,744,815
Accumulated depreciation:					
Computer software	(16,091,547)	(1,214,717)	-	-	(17,306,264)
Total	(16,091,547)	(1,214,717)	-	-	(17,306,264)
Intangible assets-net	2,289,298				2,438,551

Amortization for the year ended 31 December 2014 amounted to Baht 1.21 million.

10. DEFERRED TAX

As at 31 December 2014 and 2013 consist of :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets	9,030,629	8,648,815	9,230,609	8,848,795
Deferred tax liabilities	(1,548,577)	(2,678,667)	(1,548,577)	(2,678,667)
Net	7,482,052	5,970,148	7,682,032	6,170,128

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

For the year ended 31 December 2014 consist of:

Unit : Baht

	Consolidated financial statements				As at 31 December 2014
	As at 1 January 2013	(Expenses)/ income recognized in profit or loss	As at 31 December 2013	(Expenses)/ income recognized in profit or loss	
Deferred tax assets					
Trade accounts receivable (doubtful accounts)	240,665	(141,183)	99,482	(1,199)	98,283
Inventories (allowance for obsolete and devaluation)	90,352	347,414	437,766	(291,499)	146,267
Employee benefit obligations	7,583,091	528,476	8,111,567	272,034	8,383,601
Lawsuit provisions	-	-	-	402,478	402,478
Total	7,914,108	734,707	8,648,815	381,814	9,030,629
Deferred tax liabilities					
Property, plant and equipment (depreciation difference)	(3,337,255)	658,588	(2,678,667)	1,130,090	(1,548,577)
Total	(3,337,255)	658,588	(2,678,667)	1,130,090	(1,548,577)
Net	4,576,853	1,393,295	5,970,148	1,511,904	7,482,052



For the year ended 31 December 2014 consist of:

	Unit : Baht				
	Separate financial statements				
	As at 1 January 2013	(Expenses)/ income recognized in profit or loss	As at 31 December 2013	(Expenses)/ Income recognized in profit or loss	As at 31 December 2014
Deferred tax assets					
Trade accounts receivable (doubtful accounts)	240,665	(141,183)	99,482	(1,199)	98,283
Inventories (allowance for obsolete and devaluation)	90,352	347,414	437,766	(291,499)	146,267
Investment in subsidiaries	199,980	-	199,980	-	199,980
Employee benefit obligations	7,583,091	528,476	8,111,567	272,034	8,383,601
Lawsuit provisions	-	-	-	402,478	402,478
Total	8,114,088	734,707	8,848,795	381,814	9,230,609
Deferred tax liabilities					
Property, plant and equipment (depreciation difference)	(3,337,255)	658,588	(2,678,667)	1,130,090	(1,548,577)
Total	(3,337,255)	658,588	(2,678,667)	1,130,090	(1,548,577)
Net	4,776,833	1,393,295	6,170,128	1,511,904	7,682,032

Income tax expenses for the year ended 31 December 2014 and 2013 are summarized below:

	Unit: Baht			
	Statement of comprehensive income			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Current tax:				
Income tax for the nine-month periods	-	-	-	-
Deferred tax:				
Deferred tax derived from temporary differences and reversal of temporary differences	1,511,904	1,383,303	1,511,904	1,125,244
Income tax related to actuarial loss as recorded in other comprehensive income	-	9,992	-	268,051
Income tax (expenses) income in statements of income	1,511,904	1,393,295	1,511,904	1,393,295

Reconciliation amount between income tax expenses and multiplication of taxable profits and tax rates used for the year ended 31 December 2014 and 2013 can be presented as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before income tax	(8,985,873)	14,043,943	2,018,281	9,878,731
Income tax rate	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rate	-	2,808,789	403,656	1,975,746
Taxable effect for:				
Expenses of accounting base differ from tax base	1,511,904	(1,415,494)	1,108,248	(582,451)
Income tax (expenses) presented in statements of comprehensive income	1,511,904	1,393,295	1,511,904	1,393,295
Effective income tax rate	-%	-%	-%	-%

11. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 31 December 2014 and 2013 consist of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short term loans-promissory notes	130,000,000	70,000,000	130,000,000	70,000,000
Total	130,000,000	70,000,000	130,000,000	70,000,000



As at 31 December 2014, the Company and subsidiary have overdraft lines with a bank for total amount of 26.50 million (Separate : Baht 21.5 million), guaranteed by land with its construction as stated in note 8, and the Company has short-term credit line and other credits with two banks total amount of Baht 431 million without any collaterals.

12. TRADE AND OTHER PAYABLES-UNRELATED PARTIES

As at 31 December 2014 and 2013 consist of :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	Unit: Baht			
Trade accounts payable	245,704,757	270,408,768	245,704,757	270,408,768
Accrued expenses	43,490,370	41,814,127	26,272,953	25,549,080
Assets payable	6,520,225	2,522,819	6,520,225	2,522,819
Amount received in advance	5,640,741	3,695,390	5,547,289	3,307,966
Revenue Department payable	3,134,439	2,237,614	1,932,277	1,177,317
Swap contract payable	-	4,989,050	-	4,989,050
Forward contract payable	2,061,217	850,702	2,061,217	850,702
Lawsuit provision	2,012,391	758,627	2,012,391	758,627
Others	226,487	219,128	180,629	180,631
Total	308,790,627	327,496,225	290,231,738	309,744,960

The Company has recorded lawsuit provisions amount of Baht 2.01 million resulted from its was enforced an action in two cases, the another one in a labor case with the amount of Baht 2.08 million. The Appeal Court passed a judgment of loss the case upon the Company is required to make the principal payment including interest at the rate of 7.5% per annum. The Company deposited money in the Court by the amount of Baht 2.3 million. Subsequent, the Company filed the dika objection of the judgment of which the case is still pending the Supreme Court's trial. The Company set up the provisions by calculating interest up to 31 December 2014 and recorded loss on such lawsuit amount of Baht 3.49 million as expenses in statements of comprehensive income, and accounted for provisions after deducting with deposit money in the Court as liabilities in statements of financial position.

13. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 31 December 2014 and 2013 consist of:

	Consolidated financial statements and Separate financial statements	
	2014	2013
	Unit: Baht	
Loans from banks	-	5,000,000
Less Current portion of long-term loans	-	(5,000,000)
Long-term loans-net	-	-

The Company has made repayment for all loans in February 2014. Such loans were charged interest at the fixed rate of 7.10% per annum which is payable on a quarterly basis including the principal, guaranteed by GS Yuasa Corporation Co., Ltd.

14. EMPLOYEE BENEFIT OBLIGATIONS

14.1 The changes in present value of benefit obligations plan for the year ended 31 December 2014

	Consolidated	Separate
	Financial statements	Financial statements
Employee benefit obligations plan as at 1 December 2013	42,934,673	40,557,834
Current cost of project and interest	5,282,864	4,818,204
Employee benefits paid	(3,469,181)	(3,458,031)
Employee benefit obligations plan as at 31 December 2014	44,748,356	41,918,007



14.2 Expenses realized in statements of comprehensive income for the year ended 31 December 2014 and 2013

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost of sales	3,499,663	3,150,478	3,499,663	3,150,478
Selling expenses	531,640	466,068	297,057	270,008
Administrative expenses	1,251,561	1,275,687	1,021,484	1,080,059
Total	5,282,864	4,892,233	4,818,204	4,500,545

15. LEGAL RESERVE

By virtue of the Public Company Limited Act, the Company is required to appropriate not less than 10% of annual net profit after deduction of deficit brought forward (if any) as a legal reserve until such reserve is not less than 25% of the authorized share capital. This reserve is not available for dividend distribution.

By virtue of the Revenue Code, the subsidiary is required to appropriate a legal reserve as a legal reserve not less than 5% of the annual net profit after deduction with deficit brought forward (if any) of subsidiary until the legal reserve reach 10% of authorized share capital of the subsidiary. This reserve is not available for dividend distribution.

16. DIVIDEND PAYMENT

2014

According to the Annual General Meeting of shareholders for the year 2014 held on April 24, 2014, the Company passed a resolution to pay dividend of the 2013 results of operation to shareholders for 107,625,000 shares at Baht 0.03 each, totaling Baht 3.23 million. The dividend was paid on May 22, 2014.

2013

According to the Annual General Meeting of Shareholders for the year 2013 held on April 10, 2013, the Company passed a resolution to pay dividend of the 2012 results of operation to the shareholders for 107,625,000 shares at Baht 0.05 each, totaling Baht 5.38 million. The dividend was paid on May 8, 2013.

17. PROVIDENT FUND

The Company, subsidiary and employees have jointly established provident fund in accordance with the Provident Act B.E. 2530. The Company, subsidiary and employees paid monthly contribution at the rate of 3% of employees salary. This Fund is managed by Thanachart Assets Management Securities Co., Ltd. The benefits are entitled to the employees based on resignation of employee in accordance with the regulation of the fund of the Company and subsidiary. For the year ended 31 December 2014, the Company and subsidiary paid the Company and subsidiary paid contribution to the fund amount of Baht 2.51 million (Separate: Baht 2.23 million)

18. OTHER INCOME

For the year ended 31 December 2014 and 2013 consist of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Rental and services income	939,498	463,500	2,508,915	1,907,580
Gain on sales of assets	717,397	11,190,345	474,407	10,688,112
Gain on exchange rate	5,362,970	7,532,195	5,362,970	7,532,195
Other	4,507,583	7,763,413	3,878,887	6,188,413
Total	11,527,448	26,949,453	12,225,179	26,316,300



19. EXPENSES ANALYZED BY NATURE

Significant expenses for the year ended 31 December 2014 and 2013 analyzed by nature are as follows:

	Consolidated financial statements		Separate financial statements	
			Unit: Baht	
	2014	2013	2014	2013
Changes in finished goods and work in process	(3,660,607)	10,093,881	(5,185,163)	14,667,120
Purchase of finished goods	60,698,145	53,608,461	48,097,543	53,608,461
Raw materials and consumable used	937,411,090	962,849,447	937,411,090	962,849,447
Employee expenses	224,193,114	206,224,383	204,188,865	185,438,909
Sub-contractor wages	36,984,683	44,595,667	36,984,683	44,595,667
Employee benefits expenses	5,282,864	4,892,233	4,818,204	4,500,545
Management benefit expenses	19,696,878	33,819,033	17,414,969	27,743,515
Directors' remuneration	2,643,000	2,917,166	2,643,000	2,917,166
Excise tax	126,576,460	131,326,203	126,576,460	131,326,203
Electricity expenses	58,103,790	55,131,370	58,103,790	55,131,370
Depreciation and amortization	32,629,020	30,204,884	31,979,876	29,641,175
Sales promotion expenses	20,473,927	16,636,318	5,589,024	7,441,545
Repair and maintenance expenses	40,937,136	42,813,851	40,766,337	42,573,633
Royalty fee	22,573,633	24,680,660	22,573,633	24,680,660
Loss on devaluation of goods and reversal	(1,822,590)	2,281,600	(1,457,493)	1,737,069
Assets moving expenses	649,603	5,526,337	649,603	5,526,337
Doubtful accounts (reveral)	(6,000)	(875,953)	(6,000)	(705,915)
Doubtful accounts	1,107,091	-	-	-
Loss on goods destruction	-	7,367,584	-	7,367,584
Loss on lawsuit	3,742,597	758,627	3,742,597	758,627

20. TRANSACTIONS WITH RELATED PARTIES

During the period, the Company and subsidiary have significant transaction with related persons and parties. These transactions are related in the normal course of business and on the basis of the Company and related parties concerned as follows:

Relationship between the Company and related parties can be summarized as follows:

20.1 <u>Company's name</u>	<u>Nature of business</u>	<u>Relationship</u>
Yuasa Sales and Distribution Co., Ltd.	Distributor of Yuasa Battery	Subsidiary 99.99%
GS Yuasa International Ltd.	Manufacture of Battery	Shareholder 40.69%
Metropolitan Motor Service Co., Ltd.	Vehicle Transportation	Shareholder 19.13%
GS Yuasa Manufacturing Ltd.	Manufacture of Battery	Common shareholder
Manutham Mansion and Development Co., Ltd.	Property Development	Common director
Fuji Merchandises Co., Ltd.	Investment Business	Common director and a shareholder
Yuasa Battery (Malasia) Sdn Bhd.	Manufacture of Battery	Common ultimate parent company
<u>Company's name</u>	<u>Nature of business</u>	<u>Relationship</u>
GS Yuasa Battery (Singapore) Pte. Ltd.	Manufacture of Battery	Common ultimate parent company
PT Yuasa Battery Indonesia	Manufacture of Battery	Common ultimate parent company
Tata Autocomp GY Battery Private Ltd.	Manufacture of Battery	Common ultimate parent company
Ztong Yee Industrial Co., Ltd.	Manufacture of Battery	Common ultimate parent company
GS Yuasa Power Supply Ltd.	Manufacture of Battery	Common ultimate parent company
GS Yuasa Siam Industry Co., Ltd.	Manufacture of Battery	Common ultimate parent company
Taiwan Yuasa Battery Co., Ltd.	Manufacture of Battery	Common ultimate parent company
GS Battery Vietnam	Manufacture of Battery	Common ultimate parent company
GS Yuasa Corporation	Investment business	The parent company of group company
Estate of POL.LT.Chan Manuthumma	-	Estate of group of major shareholder



20.2 Balances and transactions with related parties are as follows:

			Unit: Baht	
			Consolidated financial statements	
			2014	2013
20.2.1	Balance of assets and liabilities			
	Trade accounts receivable			
	GS Yuasa International Ltd.		2,946,618	18,147
	Yuasa Battery (Malaysia) Sdn Bhd.		1,623,270	5,090,221
	Total		4,569,888	5,108,368
	Other receivables-accrued income			
	Taiwan Yuasa Battery Co., Ltd.		422,844	519,879
	Total		422,844	519,879
	Trade accounts payable			
	GS Yuasa International Ltd.		7,520,160	4,441,446
	GS Yuasa Siam Industry Co., Ltd.		-	727,544
	Accrued royalty expenses			
	GS Yuasa International Ltd.		22,573,633	24,680,660
	Accrued interest expenses			
	GS Yuasa International Ltd.		-	406,552
	Assets payable			
	GS Yuasa International Ltd.		-	5,300,153
	Accrued other expenses			
	GS Yuasa Corporation		-	38,411
	GS Yuasa Siam Industry Co., Ltd.		-	716,712
	GS Yuasa International Ltd.		-	365,760
	Accrued management benefit expenses			
	Estate of POL.LT.Chan Manuthumma		16,000,000	16,000,000
	Total trade and other payable		46,093,793	52,677,241
			Unit: Baht	
			Consolidated financial statement	
			2014	2013
20.2.2	Revenues and expenses			
	Sales			
	GS Yuasa International Ltd.	Market price	3,805,328	1,349,596
	GS Yuasa Battery (Malaysia) Sdn Bhd.	Market price	43,070,662	51,901,931
	Commission income			
	Taiwan Yuasa Battery Co., Ltd.	At agreed price/ as memorandum	1,366,979	2,626,175
	Other income			
	GS Yuasa Siam Industry Co., Ltd.	At agreed price/ as memorandum	-	107,700
	Acquire of goods			
	GS Yuasa International Ltd.	Market price	42,279,731	49,761,667
	GS Yuasa Siam Industry Co., Ltd.	Market price	-	943,440
	GS Yuasa Siam Industry Co., Ltd.	Market price	12,600,602	-
	(transactions with Yuasa Sales and Distribution Co., Ltd.)			
	Service expenses			
	GS Yuasa International Ltd.	At agreed price/ as memorandum	1,784,172	3,639,773
	Royalty expense			
	GS Yuasa International Ltd.	Per contract	22,573,633	24,680,660
	Interest expenses			
	GS Yuasa International Ltd.	Per contract	541,610	1,116,051
	Rental expenses			
	GS Yuasa Siam Industry Co., Ltd.	Per contract	-	990,878
	Sub-contract-lead powder			
	GS Yuasa Siam Industry Co., Ltd.	Per contract	2,817,751	3,325,052



		Unit: Baht	
		Consolidated financial statement	
		2014	2013
20.2.2	Revenues and expenses		
	Management benefit expenses		
	Estate of POL.LT.Chan Manuthumma	-	16,000,000
	Other expenses		
	GS Yuasa Corporation	At agreed price	2,795
			38,411
20.2.3	Other transactions		
	Acquire of fixed assets	Market price	2,885,071
	GS Yuasa International Ltd.		11,903,318
	Sale of fixed assets		
	GS Yuasa Siam Industry Co., Ltd.	At agreed price	-
	GS Battery Vietnam	At agreed price	-
			1,320,362
			12,665,482
		Unit: Baht	
		Separate financial statement	
		2014	2013
20.2.4	Assets and liabilities balance		
	Trade accounts receivable		
	Subsidiary		
	Yuasa Sales and Distribution Co., Ltd.	209,637,019	193,016,014
	Other parties		
	GS Yuasa International Ltd.	2,946,618	18,147
	Yuasa Battery (Malaysia) Sdn Bhd.	1,623,270	5,090,221
	Total	4,569,888	5,108,368
	Total trade accounts receivables - related parties	214,206,907	198,124,382
	Other receivables - accrued income		
	Yuasa Sales and Distribution Co., Ltd.	263,619	254,267
	Taiwan Yuasa Battery Co., Ltd.	422,844	519,879
	Total other receivables - related parties	686,463	774,146
	Trade accounts payable		
	GS Yuasa International Ltd.	7,520,160	4,441,446
	GS Yuasa Siam Industry Co., Ltd.	-	727,544
	Other payables		
	Accrued royalty expenses		
	GS Yuasa International Ltd.	22,573,633	24,680,660
	Accrued interest expenses		
	GS Yuasa International Ltd.	-	406,552
	Assets payable		
	GS Yuasa International Ltd.	-	5,300,156
	Accrued other expenses		
	GS Yuasa Corporation	-	38,411
	GS Yuasa Siam Industry Co., Ltd.	-	716,712
	GS Yuasa International Ltd.	-	365,760
	Accrued management benefit expenses		
	Estate of POL.LT.Chan Manuthumma	12,000,000	12,000,000
	Total trade and other payables	42,093,793	48,677,241
		Unit: Baht	
		Separate financial statement	
		2014	2013
20.2.5	Revenues and expenses		
	Sales		
	Yuasa Sales and Distribution Co., Ltd.	Market price	626,876,684
	GS Yuasa International Ltd.	Market price	3,805,328
	Yuasa Battery (Malaysia) Sdn Bhd.	Market price	43,070,662
			634,289,140
			1,349,596
			51,901,931



		Unit: Baht	
		Separate financial statement	
		2014	2013
20.2.5 Revenues and expenses			
Rental income			
Yuasa Sales and Distribution Co., Ltd.	Per contract	880,704	880,704
Service income			
Yuasa Sales and Distribution Co., Ltd.	Per contract	964,750	839,376
Commission income			
Taiwan Yuasa Battery Co., Ltd.	At agreed price	1,366,979	2,626,175
Other income			
GS Yuasa Siam Industry Co., Ltd.	At agreed price/ as memorandum	-	107,700
Yuasa Sales and Distribution Co., Ltd.	Market price	-	785
Acquire of goods			
GS Yuasa International Ltd.	Market price	42,279,731	49,761,667
GS Yuasa Siam Industry Co., Ltd.	Market price	-	943,440
Service expenses			
GS Yuasa International Ltd.	At agreed price/ as memorandum	1,784,172	3,639,773
Royalty expense			
GS Yuasa International Ltd.	Per contract	22,573,633	24,680,660
Interest expenses			
GS Yuasa International Ltd.	Per contract	541,610	1,116,051
Accrued rental expenses			
GS Yuasa Siam Industry Co., Ltd.	At agreed price	-	990,878
Sub-contract-lead powder			
GS Yuasa Siam Industry Co., Ltd.	Per contract	2,817,751	3,325,052
Management benefit expenses			
Estate of POL.LT.Chan Manuthumma		-	12,000,000
Other expenses			
GS Yuasa Corporation Co., Ltd.	At agreed price	2,795	38,411
20.2.6 Other transactions			
Acquire of fixed assets			
GS Yuasa International Ltd.	Market price	2,885,071	11,903,318
Sale of fixed assets			
GS Yuasa Siam Industry Co., Ltd.	At agreed price	-	1,320,362
GS Battery Vietnam Co., Ltd.	At agreed price	-	12,665,482

20.3 Short-term loans from a related party

		Unit: Baht	
		Consolidated and Separate financial statements	
	Balance as at 31 December 2013	Increase	(Decrease)
			Balance as at 31 December 2014
Short-term loans			
GS Yuasa International Ltd.	74,229,215	-	(74,229,215)
Total	74,229,215	-	(74,229,215)

The Company has loans obtained from GS Yuasa International Co., Ltd., at the interest rate of LIBOR+1% per annum. Such loans are in the form of short-term loans for using as working capital, due within 1 year from the loans date. Up to present, the lender extended the repayment period by intervals for 1 year each. The Company has made loans repayment in full on 8 August 2014.

20.4 Accrued management benefit expenses

At the minutes of the Annual General Meeting of Shareholders for the year 2013 held on 10 April 2013, passed the resolution to pay remuneration to Estate of POL.LT.Chan Manuthumma, an ex-president director amount of Baht 16 million by paying from the Company of Baht 12 million and from subsidiary (Yuasa Sales and Distribution Co., Ltd.) for the another Baht 4 million through 4 installments of Baht 4 million each within 4 years.

21. INCOME TAX

For the year ended 31 December 2014 and 2013, the Company and subsidiary have net operating loss and there is no income tax to be paid causing by the utilization of tax benefits arising from deficit brought forward and exemption on payment of income tax derived from the promoted activity. As at 21 June 2012, the Company is granted to cancel investment promotion certificate from the Board of Investment.

22. OPERATIONS SEGMENT

The Company and subsidiary operation involve virtually a single in business of manufacturing battery for automobiles and motorcycles, thus the Management considers that the Company has reported only one segment.

22.1 Segment financial information - distribution chance to group of customers

Operating segment information is reported corresponding with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance.

For the year ended 31 December 2014

Unit : Thousand Baht

Unit : Thousand Baht

	Separate financial statements					Subsidiary	Total	Eliminated transactions	Consolidated financial statements				
	Battery products			Other products	Total	Battery products			Battery products			Other Products	Total
	Original equipment Market (OEM)	Replacement equipment Market (REM)	Export Market			Replacement equipment Market (REM)			Original equipment Market (OEM)	Replacement equipment Market (REM)	Export Market		
Sales	677,119	626,343	294,914	19,351	1,617,727	677,423	2,295,150	(626,877)	677,119	676,889	294,914	19,351	1,668,273
Cost of sales	(599,651)	(542,568)	(284,733)	(15,206)	(1,442,158)	(636,698)	(2,078,856)	627,228	(599,651)	(552,038)	(284,733)	(15,206)	(1,451,628)
Less Sales of scrap income	-	-	-	-	58,419	-	58,419	-	-	-	-	-	58,419
Net Cost of sales	(599,651)	(542,568)	(284,733)	(15,206)	(1,383,739)	(636,698)	(2,020,437)	627,228	(599,651)	(522,038)	(284,733)	(15,206)	(1,393,209)
Gross profit (loss)	77,468	83,775	10,181	4,145	233,988	40,725	274,713	351	77,468	124,851	10,181	4,145	275,064
Other income					12,225	1,148	13,373	(1,846)					11,527
Selling expenses					(176,317)	(36,002)	(212,319)	-					(212,319)
Administrative expenses					(62,242)	(16,747)	(78,989)	1,366					(77,622)
Profit(Loss) before finance costs and income tax					7,654	(10,876)	(3,222)	(128)					(3,350)
Finance costs					(5,636)	-	(5,636)	-					(5,636)
Income tax					1,512	-	1,512	-					1,512
Total comprehensive Income (expense)					3,530	(10,876)	(7,346)	(128)					(7,474)
As at 31 December 2014													
Property, plant and equipment					310,170	3,412	313,582	-					313,582
Other assets					634,697	135,629	770,326	(212,306)					558,020
Total assets					944,867	139,041	1,083,908	(212,306)					871,602

For the year ended 31 December 2013

Unit : Thousand Baht

	Separate financial statements					Subsidiary		Eliminated transactions	Consolidated financial statements				
	Battery products			Other products	Total	Battery products			Battery products			Other products	Total
	Original equipment Market (OEM)	Replacement equipment Market (REM)	Export Market			Replacement Equipment Market (REM)			Original equipment Market (OEM)	Replacement equipment Market (REM)	Export Market		
Sales	761,935	633,964	282,449	12,295	1,690,643	678,745	2,369,388	(634,289)	761,935	678,420	282,449	12,295	1,735,099
Cost of sales	(670,270)	(545,799)	(276,686)	(15,567)	(1,508,322)	(626,028)	(2,134,350)	633,604	(670,270)	(538,223)	(276,686)	(15,567)	(1,500,746)
Less sales of scrap income	-	-	-	-	57,914	-	57,914	-	-	-	-	-	57,914
Net cost of sales	(670,270)	(545,799)	(276,686)	(15,567)	(1,450,408)	(626,028)	(2,076,436)	633,604	(670,270)	(538,223)	(276,686)	(15,567)	(1,442,832)
Gross profit (Loss)	91,665	88,165	5,763	(3,272)	240,235	52,717	292,952	(685)	91,665	140,197	5,763	(3,272)	292,267
Other income					26,316	2,354	28,670	(1,721)					26,949
Selling expenses					(184,879)	(30,195)	(215,074)	-					(215,074)
Administrative expenses					(66,460)	(19,671)	(86,131)	1,366					(84,765)
Profit(Loss) before finance costs and income tax					15,212	5,205	20,417	(1,040)					19,377
Finance costs					(5,333)	-	(5,333)	-					(5,333)
Income tax					1,125	-	1,125	258					1,383
Other comprehensive income					(1,072)	1,290	218	(258)					(40)
Total comprehensive Income (expense)					9,932	6,495	16,427	(1,040)					15,387
As at 31 December 2012													
Property, plant and equipment					269,754	3,323	273,077	-					273,077
Other assets					718,778	128,703	847,481	(195,548)					651,933
Total assets					988,532	132,026	1,120,558	(195,548)					925,010

Notes

1. The Company did not present segment assets since the Company used common assets in all segment
2. The Company has income from sales of certain scrap which can not be separated cost of sale, thus, segment information is not presented.



22.2 Group of majority customers

The Company and subsidiary have revenues from sale of goods to group of majority customers which the selling proportion in each customer more than 10% of total sales as follows :

Unit: Baht					
Consolidated financial statements					
2014			2013		
Number of customers	Amount of Baht	%	Number of customers	Amount of Baht	%
Group of customers					
Related parties	-	-	-	-	-
Other parties	2	541.08	2	614.27	35.40
Total		541.08		614.27	35.40

Unit: Baht					
Separate financial statements					
2014			2013		
Number of customers	Amount of Baht	%	Number of customers	Amount of Baht	%
Group of customers					
Related parties	1	626.88	1	634.29	37.52
Other parties	2	541.08	2	614.27	36.33
Total		1,167.96		1,248.56	73.85

23. DISCLOSURE OF FINANCIAL INSTRUMENTS

23.1 Liquidity risk

The Company has financial liabilities consist of overdrafts short-term loans from financial institution trade payable and other payable. The company has risk from inability to payments to the such financial liabilities. The Company reduces the liquidity risk by arranging credit facilities with various financial institutions. Besides, short-term loans from a related party has been strongly supported by renewing after expiry date and the Company has made loans repayment in full during the year. (note 20.3)

23.2 Credit risk

Credit risk refers to the risk that counterparts will default on its contractual obligations resulting in a financial loss to the Company and subsidiary. To prevent the risk, the Company and subsidiary have a prudent credit policy and a diversified customer base. Therefore, the Company and subsidiary do not anticipate losses from debt collection in excess of the allowance for doubtful accounts already set up in the financial statements.

23.3 Interest rate risk

Interest rate risk arises from the potential change in interest rates having an effect on interest expense of the Company in the current reporting period and in future years. The Company expects that it may be effect from the changes in interest rates to the Company's operations.

The subsidiary expects that it will have no effect from the changes in interest rate to subsidiary's operations since subsidiary has no significant loans.

Information regarding interest rates and maturity dates are disclosed in corresponding notes to financial statements.

23.4 Exchange rate risk

Foreign currency risk arises from the potential change in foreign currency exchange rates to have an adverse effect on the Company in the current reporting period and in the following years.

At present, the Company has a policy to manage exchange rate risk by entering into SWAP Contract and Forward Contract. However, the Company may have exchange rates risk resulting from parts of assets and liabilities denominated in foreign currencies which were not entered into hedging.

23.4.1 As at 31 December 2014, the Company entered into SWAP contracts with a financial institution in the amount of Baht 100 million. As at 31 December 2014, the Company has no the remaining assets and liabilities in foreign currencies in which entered into SWAP contracts.

23.4.2 As at 31 December 2014, the Company has obtained the forward contract line from three financial institutions total amount of Baht 300 million.



As at 31 December 2014, the Company has assets and liabilities denominated in foreign currencies, which were not entered into hedging for exchange rate risk as follows :

Transactions	Currency	Amount	Hedges	Non-hedges
Trade account receivable	USD	937,529	-	937,529
Accrued commission income	USD	12,921	-	12,921
Trade accounts payable and assets payable	JYP	206,130,594	101,707,892	104,422,702
	USD	1,298,604	-	1,298,604
	GBP	4,884		4,884

23.5 Fair value

The managements of the Company and subsidiary believe that the fair value of financial assets and liabilities does not materially differ from their carrying value.

24. COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2014, the Company and subsidiary had commitment and contingent liabilities as follows:

24.1 Commitment

1. The Company and subsidiary have commitment under capital expenditures agreement amount of Baht 6.16 million. (Separate : amount of Baht 6.16 million).
2. The Company and subsidiary are liable on payment under rental and service agreement amount of Baht 2.36 million (Separate : amount of Baht 2.22 million).
3. The Company is liable on payment royalty expense to a related party calculated on sales volume and other relevant factors.
4. The Company is liable on payment rental under long-term operating lease agreement for cars as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statement
Within 1 year	3,090,870	2,634,870
Over 1 year to 5 years	4,536,669	3,671,936
Total	7,627,539	6,306,806

24.2 Contingent liabilities

1. The Company has contingent liabilities from letter of guarantee issued by bank amount of Baht 7.78 million.
2. The Company has contingent liabilities from guarantee against bank overdrafts for subsidiary amount of Baht 5 million.

25. CAPITAL MANAGEMENT

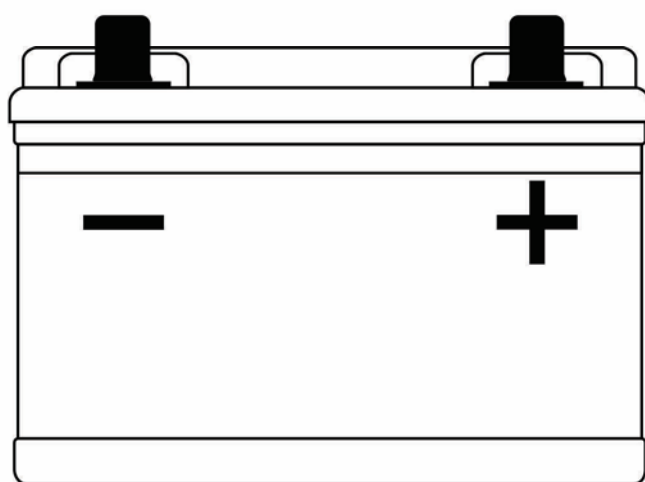
The objective of the Company's financial management is to preserve the ability to continue its operation as a going concern and to maintain the appropriately financial structure.

As at 31 December 2014 and 2013, the Company has debt to equity ratio as summarized follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Total debt to equity	1.55	1.62	1.14	1.25

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Board of directors of the Company on 23 February 2015.



YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED

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