



รายงานประจำปี

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Annual Report

บริษัท ยิวซ่าแบตเตอรี่ ประเทศไทย จำกัด (มหาชน)
YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED.



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1. Message from Chairman of the Board of Directors

In the year 2018, it was a year that the Company could continuously generate a good performance after I have taken for the position of Chairman of the Board (Acting) and Chief Executive Officer despite the high competition in the battery industry. The economic situation of the year 2018 in the country had been considered a year of recovery especially the vehicle industry although the overseas economy was still not good. In the year 2018, the Company had sales income of 2,396 million baht, which increased from the previous year due to the increasing in sales of products in the replacement market, OEM market and OEM



export market. Cost of sales amounted to 1,947 million baht or 81.26 percent which decreased from the previous year due to the decreasing in raw material prices and the project management of cost reduction. And selling and administrative expenses amounted to 891.48 million baht. Profit for the year netted by 128.20 million baht.

The Company still continues to improve the efficiency of battery production in order to reduce losses at every process and in the year 2018, the Company has decided to build a new warehouse building to meet the demand of customers in a timely manner and reduce warehouse costs in the future. It is expected to be completed and used in since July 2019. In addition, the Company also had improved the working area in order that all parties could safely work and cooperate and communicate to solve the problem together quickly according to the main policy of the management.

In the year 2019, the Company focuses on policies for more communication between factory, sales, support, and customers and vendors side with the basis of the belief that both internal and external communication are an important factor that makes every section of the Company moves forward in a consistent manner with clear unified goal to ensure sustainable growth.

The Company under the direction of the Board of Directors, executives and staffs have been committed to develop organization's business, follow the company strategies and continuously improve standards of production and goods quality for more than 56 years as well as develop human resources to enhance the competitiveness and reach efficient management process. The employees are also encouraged to innovate and participate in determining the direction of the organization in order to support future growth. The company also adheres to the principles of good corporate governance, concerns about the stakeholders and engages in social responsibility and anti-corruption.

All of these achievements that the Company received in the year 2018 were due to the support of all the participants. I am on behalf of the Board of Directors would like to express my sincere gratitude for the trust and confidence of shareholders, investors, financial institutions, business partners, and all stakeholders as well as the support given to the company. I would also like to thank to the managers and the employees who have put efforts and helped business with commitment. As a result, the company is successful. The company is committed to operate the business under good corporate governance and social responsibility for the continuous and sustainable growth of the company.

On behalf of Directors

(Ichiro Murata)

Chairman of the Board of Directors (Acting)

March 13th, 2019

2. Report of the Audit Committee

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

In 2018, there were 15 Audit Committee Meetings. The Audit Committee performed the duties under the scope of the duties and responsibilities assigned by the Board of Directors. The issues which were reviewed could be summarized as below:

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

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

Audit Committee had additional advices following:

1. AC recommended to improve the working procedure to ensure that sales system would have prudence and be able to prevent the fraud of sales representative. Further, the management also established a working team within the company to evaluate and develop the internal control of selling system.
2. Due to the economic situation in 2018 that caused the problem in debt repayment ability of some customers of the company, AC is concerned and interested in the matter of credit analysis, credit approval and debt collection. And AC gave advice on analyzing customer data and calculating debt repayment ability to set credit limit that they should be improved to suit for the business nature of the Company.
3. As our factory is located in the restricted area of the Town Planning Act and in case that there is a change or improvement of building, the Company will only be able to repair and maintain the building in good condition for using it. And because the management has many construction projects to improve, the AC advise the company to comply with the laws and regulations in order to prevent illegal actions.

Moreover, in 2018, the Company has joined the project with "Thailand's Private Sector Collective Action Coalition Against Corruption". The company has submitted the intention letter to formally join and was accepted by the CAC on March 16, 2018. In 2018, the working team assigned by Chief Executive Officer has continuously reported the progression of the project to the Corporate Governance Committee.

On behalf of Audit Committee



(Assoc.Prof.Dr. Lawan Thanadsillapakul)

Chairman of Audit Committee

March 12th, 2019

3. Policy and Overall Business Operation

Policy and overall business operation

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

Vision & Mission

Vision

“We shall become a leader of battery manufacturers in terms of world-class quality technology.”

Target

“To manage competitive production cost and continuously increase sales and share in domestic and overseas markets”

Mission

“To become a battery manufacturer with quality and competitive cost derived from applying new technological innovation and philosophies to develop management, production and personnel for the company’s stable steps, reliability and achievement”

Guideline of Business Operation

- The Company must conduct its business consistently with the relevant laws. The Company shall maintain its fair business operation.
- The Company strongly believes that conducting business with honesty, morality and ethics is good business governance which will provide a stable and progressing business of the Company.
- The Company will respect and act in compliance with local norms and traditions.
- The Company will conduct business with honesty, particularly in matters regarding financial policy, budget planning and investment evaluation in any project which shall be prepared clearly and precisely.
- The Company hopes that all directors and employees will honestly respect in the Company’s policy, accounting process and other regulations. Moreover, employees should report to executives immediately if there is any suspicion of a violation of the code of conduct which may cause damage to the Company’s reputation.

Guideline on Business achievement

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

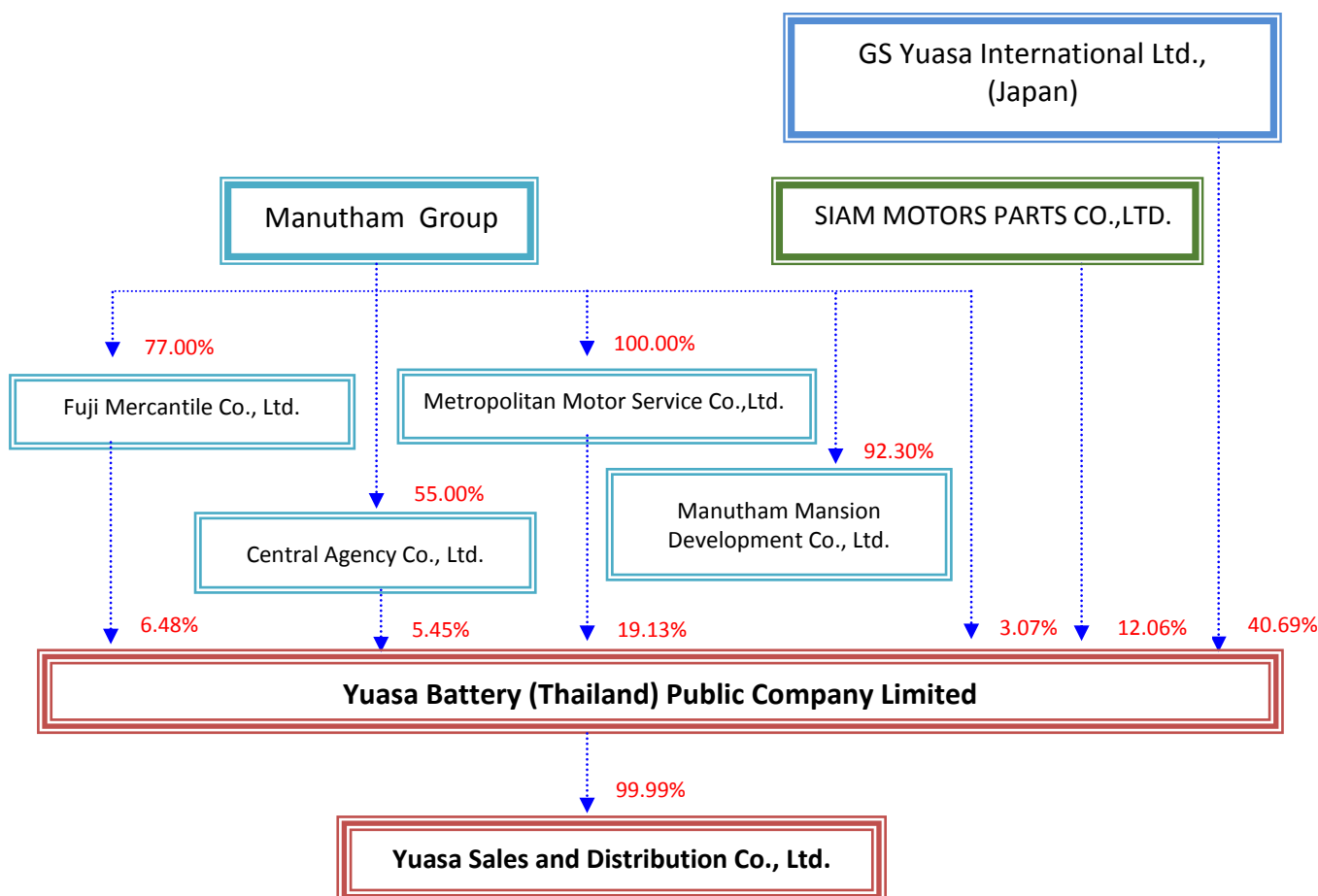
4. Nature of Business Operation

Nature of the Company and its Subsidiary's Business Operation

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

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

Structure of Related Companies (as of February 28, 2019)



Source: Thailand Securities Depository Co., Ltd.

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

4. Nature of Business Operation

Income Structure of the Company and the Subsidiary

Unit : (Million Baht)										
Detail	2014		2015		2016		2017		2018	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Yuasa Battery (Thailand) Public Co., Ltd. (Company)										
1. Automotive Battery										
➤ Original Equipment Market (OEM)	244.39	14.55	147.53	8.37	115.11	5.52	122.61	5.23	130.26	5.41
➤ Export	289.39	17.23	279.37	15.85	325.95	15.62	319.44	13.62	248.61	10.32
➤ Indirect Export*	16.13	0.96	29.24	1.66	29.43	1.41	19.19	0.82	11.89	0.49
➤ Other	0.73	0.04	0.04	0.00	0.005	0.00	0.001	0.00	0.10	0.00
2. Motorcycle Battery										
➤ Original Equipment Market (OEM)	299.36	17.82	344.53	19.55	419.23	20.09	586.24	25.00	592.59	24.60
➤ Export	80.56	4.80	103.04	5.85	183.58	8.80	249.84	10.65	369.25	15.33
➤ Indirect Export*	5.20	0.31	1.04	0.06	2.67	0.13	0.91	0.04	0.40	0.02
➤ Other	0.007	0.00	0.01	0.00	0.11	0.01	0.19	0.01	0.00	0.00
3. 1										
➤ Domestic Market	54.56	3.25	70.05	3.97	26.65	1.28	28.03	1.20	25.88	1.07
4. Other	0.53	0.03	0.64	0.04	0.29	0.01	4.58	0.20	17.90	0.74
Total Revenue of Company (a)	990.85	58.99	975.51	55.35	1,103.03	52.85	1,331.03	56.75	1,396.88	57.99
Yuasa Sales and Distribution Co., Ltd. (Company holds 99.99%)										
1. Automotive Battery										
➤ Replacement Market (REM)	419.66	24.98	500.53	28.40	566.49	27.14	571.02	24.35	621.84	25.82
2. Motorcycle Battery										
➤ Replacement Market (REM)	246.70	14.48	263.11	14.93	383.39	18.37	394.81	16.83	365.48	15.17
3. Power Supply Battery / Solar Battery	9.51	0.56	14.10	0.80	29.49	1.41	30.34	1.29	12.64	0.52
4. Other	1.56	0.09	0.80	0.05	0.03	0.00	0.10	0.00	0.01	0.00
Total Revenue of Company (b)	677.42	40.33	778.54	44.17	979.40	46.93	996.24	42.48	999.97	41.51
Total revenues from sale (a)+(b)	1,668.27	99.31	1,754.04	99.52	2,082.43	99.78	2,327.31	99.23	2,396.85	99.50
Total other income	11.53	0.69	8.55	0.48	4.52	0.22	17.95	0.77	11.98	0.50
Total Revenue	1,679.80	100.00	1,862.59	100.00	2,086.95	100.00	2,345.25	100.00	2,408.83	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 2018, the company has continued to run the business following 3 important policies, teamwork, speed and goal to the top, to achieve the common goal. Further, we has increased the internal and external communication especially the communication between “the production and production support departments” and “customers and suppliers” in order that the work of all sides were closely coordinated. Not only the improving of communication but also we has improved the office buildings, factory buildings, machines, and working environment inside the factory continuously from the previous year

In the middle of 2018, the company has constructed a new warehouse which has keeping area of 1,800 sq.m to keep the finished goods and materials. It is planned to finish and use in the middle of 2019. This warehouse shall help to keep more stocks in the factory and support the demand of sales. Further, it shall help to reduce the rental cost and benefit the performance of company in long run.

For an environment and security in working, the company has continuously developed in several parts such as walkway system, working area, and the office building and old factory building etc. And in order to create the brand awareness continuously, the company has participated as a sponsor for Thai National

4. Nature of Business Operation

Football team for the second consecutive year because the policy to develop and improve the football has complied with the company's strategy which shall work together as a team, speed and clear target.

Overall Change of Battery Industry

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

The overall picture of battery and related industry in 2018 are summarized as follows:-

Battery business in 2018

According to the production, domestic sales and export of automotive and motorcycle batteries of large-sized factory producers of Office of Industrial Economics on January 30, 2018, we found that the production, sales and export were decreased from the previous year by 3%, 4.52% and 4.53% respectively. Such figure was not included the batteries which were imported from various countries for domestic sales such as China, India, South Korea, etc. because of cheaper price when compared with the domestic production. Nevertheless, the service might be their weaker point when compared with the product of domestic producer.

Main material for the battery production

For the pure lead price, main raw material of battery production from London Metal Exchange (LME), the price has been fluctuated. In 2018, the average pure lead price was at USD 2,243/ton decreased from 2017 for USD 73.80/ton or 3.19%. If we consider monthly average price of lead, we would find the price of lead tended to decrease from March and maintained until June 2018. And it was adjusted to continuously decrease again from July to December 2018.

In 2018, the pure lead price was fluctuated from USD 2,589/ton in January to the low level of USD 1,958/ton in December. For the average lead price of Jan-Feb of 2018, it equaled to the average lead price of December 2017 and it started to reduce in March 2018 and to maintain continuously until June 2018 at the average lead price of USD 2,389/ton. And it was adjusted to continuously decrease again from July at the average lead price of USD 2,212/ton to December 2018 at the average lead price of USD 1,958/ton.

Production of vehicle in 2018

According to the Thai Automotive Industry Association information, compared with the automotive production between 2018 and 2017 found that the sedan, vehicle for commercial purpose, and motorcycle production were made at 0.88 million units, 1.29 million units and 2.06 million units respectively or increased by 7.21%, 10.34%, 0.39% respectively. The main reason of higher growth derived from the increasing of domestic sale and export. However, the production of motorcycle was maintained from 2017 due to the lower sale of domestic and export market.

Domestic Sale of vehicle in 2018

According to the Thai Automotive Industry Association, the domestic sales of car and motorcycle for year 2018 when compared to year 2017, it was found that the sales amount of car amounted 2.17 million units or increased by 19.38% because the recovery of economic, launching the new mode from car producer continuously, and result of first car project which started to allow for trading as the condition of project since the end of 2016. For motorcycle, domestic sale amounted by 2.06 million units or decreased by 1.27% when compared to the previous year.

Vehicle Import from oversea in 2018

In 2018, the import value of car and engine amounted 77,771 million Baht, increased by 16.95 from the previous year. And the import value of engine amounted 304.27 million baht, up by 6.26%. The growth was more corresponded with domestic and oversea sale.

Vehicle Export in 2018

According to the Thai Customs information which processed by the Bank of Thailand In 2018, the export of vehicles was increased compared with the previous year, except the export car and motorcycle. The main reasons were from the increasing in any market such as Asian market, Middle East market and North America market. Engines and also vehicles which were produced in Thailand were widely accepted in the world market making an overview of vehicle export increased.

5. Risk Factors

It is general for business operation that internal and external factors might affect on the Company's financial status and operating results. Therefore, the Company sets a process of managing internal and external risks. The management defines the policies and assesses the risks with the executives from several departments. The possible factors to obstruct the Company from achieving the objective, the effects and the probability of these factors are considered for setting an acceptable risk management measures. The management follows up the operating results of each department every month. These include things on production, sales, competitive condition, marketing strategy, financial management and progress of the business plan. All of these help the Company to promptly make plans to manage any risks which might happen. However, the Company's organization size is growing and several risks occurred in various forms. As a result, the management plans to set the Risk Management Committee to consider and review the report of risk assessment and to give advices on setting an acceptable risk management measure. Such committee has started working since year 2017 and report to the Company's management.

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

1. Risk from Fluctuating Prices of Raw Materials

Risk: The prices of raw materials, especially the main elements for battery production such as lead and plastic, are significant factors for production cost control. The cost of lead and plastic are approximately 70-80% of the total production cost. In case that the prices of raw materials fluctuate in line with the market, the operating result and financial status will be directly impacted. For year 2018, the Company purchased lead, a main raw material, totaling 912.77 million baht. 257.19 million baht or 28.18% of total lead order came from foreign country. For the prices of pure lead from London Metal Exchange (LME) in 2018, was the main raw material of battery production, the average price of lead was at USD 2,243/ton, decreased from average price of previous year by USD 73.80/ton or 3.19 percent. If considering from the average price of each month, it was found that the price was adjusted to reduce since March 2018 and maintained until June 2018. It was adjusted to continuously decrease again from July to December 2018. The pure lead price was fluctuated from USD 2,589/ton in January to the low level of USD 1,958/ton in December. For the average lead price of Jan-Feb of 2018, it equaled to the average lead price of December 2017 and it started to reduce in March 2018 and to maintain continuously until June 2018 at the average lead price of USD 2,389/ton. And it was adjusted to continuously decrease again from July at the average lead price of USD 2,212/ton to December 2018 at the average lead price of USD 1,958/ton.

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

In addition, the Company's Purchasing Department follows up the price of raw material closely and daily. With the experience of management that specializes and stays in the battery industry more than 56 years, the Company can run the business continuously, have a good relationship with the maker of raw material and consider purchasing the raw material in line with the production plan appropriately.

2. Risk from Relying on the Joint Venture

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

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

In term of overseas markets, the Company has an authority to sell the products within the territory assigned by GS Yuasa International Ltd., including Cambodia, Laos and Myanmar. Apart from these areas, we have to ask for permission from GS Yuasa International Ltd. to avoid conflict of distribution with "YUASA" affiliates in other countries. In 2018, the Company continuously exported the products through GS Yuasa International Ltd.

5. Risk Factors

and the affiliates at total amount of 168.47 million baht or 26.73% of the total export amount or 5.08% 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 56 years. For limitation of overseas markets, the Company can export to the countries not territorial to any "YUASA" affiliates. At present, some of our overseas customers are in the countries outside our affiliates' territory. Taking advantage of network of GS Yuasa, the Company shall diversify the battery sources to be sold in the market.

3. Risk from Relying on a Few Customers

Risk: In 2018, the Company relied on selling to a few customers for OEM market. One of our domestic customers possessed 100 percent of the total OEM sales of automotive batteries. Also, the sales of motorcycle batteries generated from supplying to one group of OEM customers, both domestic and overseas, were 76.42% 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 international and domestic market to compete for share. A new entrepreneur might join the market by establishing a factory, importing batteries for domestic sale or quoting a lower price to compete for share. These caused higher competitiveness. The selling expenses increased, especially from price reduction and the campaigns executed for motivating the customers to purchase their own products. All of these led to a decrease in margin and affected on the operating result.

Measure to manage the risk: At present, the Company's products are accepted by both OEM and REM customers as quality batteries. We also set some measures to cope with higher competition as follows:- (1) Always update production technologies; (2) Control waste of production and machines for lower manufacturing cost and competitive prices; (3) Development plan of new products to address the customer demand; (4) Maintain relationship with suppliers of raw materials and existing customers as well as make commercial agreements with some hirers for production; (5) Find new sales channels in forms of Modern Trade; and (6) Expand flexibility of production to always support and address the customer demands; (7) Import batteries from subsidiaries for the diversity of batteries' model and customers' demand; and 8) the decreasing of selling price to compete with other competitors and maintain our share.

5. Risk from Management of Environment and Safety at Work

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

Measure to manage the risk: In terms of environment, the Company provided procedures of waste treatment incurring from the production process as well as continuous treatment. For example, the wastewater treatment eradicates lead powder in the water before releasing it outside the factory. The dust collector is implemented in the risky area where it might have the spread of lead powder. Efficient burning system is

5. Risk Factors

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

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

Risk: The overall economy of 2018 trended to get better even the exports were to slow down due to the impact of trade war between the United States and China. In 2018, the government tried to push forward many projects to inject the investment and state welfare into the economic system. However, household debt was still at the high level caused the gradually increasing of purchasing power. And also tourism slowed down according to the number of Chinese tourists. Even though, the company benefited from the growth of car production and purchase, but the domestic sales competition of battery was quite high because each maker continuously launched the new types of product and domestic sales promotions. With these reasons, it was necessary for the Company to increase the sales credit of the existing customers and to find new markets, providing risk from sales credits during the slow economic recovery.

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

7. Risk from Natural Disaster and Man-Made

Risk: The location of the Company was low and near the sea, which risks the floods in the factory in case of sea surge and heavy rain. These possibly affected on the Company's assets, including the information technology system. Moreover, the humidity of the water impacted on the manufacturing process, especially the plates, one of the main raw materials of battery production. And in the middle of year 2018, some construction of concrete road at the front of factory which was lifted up by 50 centimeters from current level was already done by the government and made that our factory is in the flooding area risk. And when having the rain, we might have some problem of water drainage out from factory.

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

8. Risk from Security of Information Technology

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

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

6. General Information of Company

• The Detail of Company

Company	:	Yuasa Battery (Thailand) Public Company Limited
Register no.	:	0107537002672 (Bor Mor Jor. 514)
Type of business	:	Battery manufacturer, distributor and importer
Address of Head Office and Factory	:	164 Moo 5 Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muangsamutprakan, Samutprakan 10280
		Tel: 0-2769-7300 Fax: 0-2769-7349
		Homepage : 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	:	Ms. Sirinuch Vimolsathit CPA No. 8413
Ordinary Share	:	100,000 Shares, Par Value 10 Baht
Issued and Paid	:	100,000 Shares, Par Value 10 Baht

- Other References

Registrar	:	Thailand Securities Depositing (Thailand) Co.,Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel: 0-2229-2800 Call Center: 0-2229-2888
Auditor	:	Ms. Sirinuch Vimolsathit CPA No. 8413 KPMG Phumchai Audit Company Limited 50th-51st Floors, Empire Tower 1 South Sathorn Road, Bangkok 10120 Tel: 02-677-2000 Fax: 02-677-2222
Financial Advisor	:	Thanachat Securities Co.,Ltd. 231 Thanachat Park Place Tower, 5 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 dated on February 28, 2019

	Shareholder List	Number of Shares	% of Share
1	GS YUASA INTERNATIONAL LTD	43,789,450	40.69
2	Metropolitan Motor Service co.,Ltd.	20,584,370	19.13
3	Siam Motor Part co.,Ltd.	12,977,900	12.06
4	Fuij mercantile co.,Ltd.	6,971,600	6.48
5	Central Agency co.,Ltd.	5,865,100	5.45
6	Manutham Group	3,308,600	3.07
	1) Mrs.Pakrampai Wattanakul	1,341,200	1.25
	2) Mr.Pornchak Manutham	1,000,000	0.93
	3) Ms.Chanchai Manutham	934,500	0.87
	4) Ms.Chamaiporn Manutham	32,900	0.03
7	Mr. Chatchai Srivattanaiboon	1,147,100	1.07
8	Thai NVDR Company Limited	661,000	0.61
9	Mr.Tony chaohi chan	300,000	0.28
10	Mr.Yutaka Ueda	290,000	0.27
	Total the first 10 major shareholders	95,895,120	89.10
	Minor shareholders	11,729,880	10.90
	Total	107,625,000	100.00

Source : Thailand Security Depository Co., Ltd.

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

Dividend payment policy

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

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

8. Management Structure

1. The Board of Directors

The structure of the Company directors consists of five commissions; the Board of Directors, the Audit Committee, the Remuneration Committee, the Corporate Governance Committee and Nomination Committee, which Nomination Committee is formed occasionally when there's a director nomination. The details of each commission are described as follows:-

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

As of December 31st, 2018, the Board of Directors comprised of 11 persons as follows:-

Name	Position	Appointment (Director)
1.Mr. Ichiro Murata	Chairman of the Board of Directors (Acting), Vice Chairman of the Board of Directors and Chief Executive Officer	February 18, 2016 January 1, 2016
2.Mr. Pornchak Manutham	Director	December 8, 2003
3.Pol.Maj.Gen.Supchan Manutham	Director	May 8, 2012
4.Mr. Masaaki Hirooka	Director	September 1, 2016
5.Mr. Tsuyoshi Kameda	Director	August 6, 2015
6.Mr. Kazuma Saito①	Director	November 8, 2018
7.Mr. Sukthae Ruengwattanachot②	Director	February 28, 2018
8.Mr. Yothin Vimooktayont	Independent Director	April 22, 2008
9.Assoc.Prof.Dr.Lawan Thanadsillapakul	Independent Director and Chairman of Audit Committee	April 21, 2010
10.Mr. Prasert Kitisakkul	Independent Director and Audit Committee	April 21, 2010
11.Assoc.Prof.Pisit Vatanasomboon	Independent Director and Audit Committee	October 1, 2017

Remark: ① Mr. Kazuma Saito has been appointed as Director, replacing Mr.Hidetoshi Ueda who resigned on November 8, 2018.

② Mr. Sukthae Ruengwattanachot has been appointed as Director, replacing Mr.Subhavas Bandhuvadh who resigned on February 28, 2018.

And Mr. Sukthae Ruengwattanachot is Company Secretary who has been appointed on February 25, 2005

As at February 13, 2019. Mr. Peerasak Khantavichai has been appointed as Company Secretary, replacing Mr. Sukthae Ruengwattanachot who resigned from Company Secretary.

Check and Balance of Non-Executive Directors

As of December 31st, 2018, the Board of Directors comprised of 11 directors as follows:

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

In the light of the above, the Company had 4 Non-Executive Directors, or 36.36% of the Board Members. There were three Audit Committee members who also in the position of Independent Directors, or 36.36% of the Board Members. The Non-Executive Directors include

- | | | | |
|----|---------------------|----------|----------|
| 1. | Mr. Pornchak | Manutham | Director |
| 2. | Pol.Maj.Gen.Supchan | Manutham | Director |
| 3. | Mr. Masaaki | Hirooka | Director |
| 4. | Mr. Tsuyoshi | Kameda | Director |

8. Management Structure

Report of the Board Members' Holding of Securities in 2017-2018

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

First Name-Surname	Ordinary Share (Share)				
	As of 31 DEC 2017	Change in 2018		As of 31 DEC 2018	
				Share	Portion
1. Mr. Ichiro Murata	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
2. Mr. Pornchak Manutham	995,600	Acquired 4,400	Sold -	1,000,000	0.93
Spouse and underage children	-	Acquired -	Sold -	-	-
3. Pol.Maj.Gen.Supchan Manutham	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
4. Mr. Masaaki Hirooka	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
5. Mr. Tsuyoshi Kameda	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
6. Mr. Kazuma Saito①	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
7. Mr. Hidetoshi Ueda①	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
8. Mr. Sukthae Ruengwattanachot ②	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
9. Mr. Subhavas Bandhuvadh ②	500	Acquired -	Sold -	500	0.0005
Spouse and underage children	-	Acquired -	Sold -	-	-
10. Mr. Yothin Vimoogtayon	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
11. Assoc.Prof.Dr.Lawan Thanadsillapakul	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-
12. Mr. Prasert Kitisakkul	2,000	Acquired -	Sold -	2,000	0.002
Spouse and underage children	-	Acquired -	Sold -	-	-
13. Assoc.Prof.Pisit Vatanasomboon	-	Acquired -	Sold -	-	-
Spouse and underage children	-	Acquired -	Sold -	-	-

Remark: ① Mr.Kazuma Saito has been appointed as Director, replacing Mr. Hidetoshi Ueda who resigned on November 8, 2018.

② Mr.Sukthae Ruengwattanachot has been appointed as Director, replacing Mr. Subhavas Bandhuvadh who resigned on February 28, 2018.

The Authorized Directors

The authorization is “Mr.Pornchak Manutham or Pol.Maj.Gen.Supchan Manutham and Mr.Ichiro Murata or Mr.Hidetoshi Ueda jointly sign with Company’s seal.”

Scope of the Board of Directors

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

8. Management Structure

The scopes are as follow:-

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

The Board of Directors' Meeting; The Board of Directors shall hold at least 4 meetings per year. The dates of the meetings throughout the year were set and each director was informed accordingly in advance. For preparation of the meetings, the Chairman and the Chief Executive Officer shall consider on the agendas. Each director has a right to propose the agendas which are beneficial to the Company. The Company Secretary shall submit the meeting materials, including the agendas and attachment, to the directors 7 days in advance for their preparation. In 2018, there were 5 the 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.

8. Management Structure

1.2 The Audit Committee (AC)

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

Name	Position
1. Assoc.Prof.Dr.Lawan Thanadsillapakul	Chairman of Audit Committee
2. Mr. Prasert Kitisakkul	Independent Director and Audit Committee
3. Assoc.Prof.Pisit Vatanasomboon	Independent Director and Audit Committee

And Ms.Darawan Suksawat is the secretary of Audit Committee who has been appointed on May 10, 2006

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

Scope of the Audit Committee

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

1. To review the Company's financial reporting process to ensure accuracy in accordance with general accepted accounting standards and adequacy of disclosure.
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. Management Structure

8. For the operation of Audit Committee, if the following transaction are found and might deliver some significant effects to financial statement and performance of the Company, the Audit Committee should report to the Board of Director to adjust or amend within proper time.

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. To monitor and evaluate the Anti-Corruption Measure to align with the Anti-Corruption Policy of the Company.

10. To acknowledge the result of investigation according to the Anti-Corruption Policy.

11. To strictly follow the Anti-Corruption Policy and be the role model for the Company staffs.

12. Other related matters assigned by the Board of Directors with the permission of the Audit Committee.

1.3 Independent Director

Name	Position
1. Assoc.Prof.Dr.Lawan Thanadsillapakul	Independent Director
2. Mr. Prasert Kitisakkul	Independent Director
3. Assoc.Prof.Pisit Vatanasomboon	Independent Director
4. Mr. Yothin Vimoohtayon	Independent Director

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.

8. Management Structure

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.

1.4 The Remuneration Committee (RC)

Remuneration Committee comprised as follows:-

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

And Ms. Chuntra Yingchareonchoke is the secretary of Remuneration Committee who has been appointed on February 16, 2017

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.

8. Management Structure

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.

1.5 Corporate Governance Committee

Corporate Governance Committee comprised as follows:-

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

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

Scope of Work

1. To study, prepare and draft the corporate governance, Anti-Corruption Policies and Code of Conduct under current legal framework, criteria, regulations and rules stipulated by organizations that oversee the corporate governance such as the Stock Exchange of Thailand, the Securities and Exchange Commission as well as international standards of corporate governance, and to propose the draft of corporate governance policy to the Board of Directors to approve and use as best practices of the Directors, Management and employees in the form of written corporate governance policy statement.
2. To give advice to Directors, Management and employees of Company on how to perform their duties and fulfill their responsibilities in accordance with frameworks and criteria of corporate governance policy, Anti-Corruption policy and Code of Conduct to properly and constantly improve the performance of Directors, Management and employees of Company.
3. To review, revise and improve corporate governance and anti-corruption policies continually at least once a year to keep Company's corporate governance and anti-corruption policies up-to-date and well-adjusted to the international standards, laws, criteria, rules and regulations as well as recommendations from internal units that involve the corporate governance and from shareholders.
4. To follow up and assess the performance of the Directors and Management in compliance with best practices as specified in the corporate governance policy at the end of each year and to prepare an annual assessment report on corporate governance and propose to the Board of Directors by January next year, including any necessary opinion and suggestion.
5. To propose guideline for best practices in relation to corporate governance and anti-corruption policy for business operation of the Directors, Management and employees of Company.
6. To review the Corporate Government Committee Charter at least once a year to keep the charter up-to-date and well-adjusted to the best practices, laws, criteria and regulations.
7. To appoint working groups to support the corporate governance mission as deemed necessary and appropriate. The Company would be responsible for the expenses incurred.
8. To assess the performance of Corporate Government Committee and to report the result of assessment to the Board of Director by January next year.
9. To perform any other assignment by the Board of Directors such as to consider and review Company's mission under current business environment, to review Company's objective to be in line with current business environment, to review and improve Article of Association to be in line the best practice that stipulated in the Corporate Governance Policy, and expansion of Company's business, etc.

8. Management Structure

1.6 The Nomination Committee

The Nomination Committee shall be appointed time to time to search the appropriate person to assume the position of director. Lastly, the Board of Directors no.1/2017 on 14 February 2017 had the resolution to appoint the Nomination Committee (temporary) which comprised as follows:-

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

And Mr.Sukthae Ruangwattanachot was the secretary of Nomination Committee who has been appointed on February 14, 2017. And such Nomination Committee had expired from March 1, 2017

Scope of Work

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

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

1.7 Sub-Committee

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

1.8 The Management Committee

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

- | | | |
|----------------|------------------|-----------------------------|
| 1. Mr. Ichiro | Murata | Chief Executive Officer |
| 2. Mr. Sukthae | Ruengwattanachot | Chief Operating Officer |
| 3. Mr. Kazuma | Saito | Chief Executive Engineering |

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

Scope of Chief Executive Officer (CEO)

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

1. Consider and approve the action plan of the Department
2. Consider and approve the requisition of the department which has no power.
3. For approval of the procurement exceeding the Management's direct authority (The Management has authority to approve of any expenses and procurement within the amount of 5MB and 10MB respectively, as well as any purchases of raw materials for normal production.
4. Consider the investment plan before the proposal to the Board for approval.
5. Consider and approve the purchase of raw material as normal production.
6. Final approval by CEO for
 - 6.1 Change the source of purchase of raw material in local and aboard.
 - 6.2 Change or determine the sales price.

8. Management Structure

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).

1.9 Scope of the Company Secretary

As 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 Board of Director Meeting has resolved to appoint Mr. Sukthae Ruengwattanachot as Company Secretary on February 25, 2005 and Mr. Sukthae had resigned from Company Secretary from February 13, 2019. The Board of Directors Meeting no. 1/2019 dated February 13rd, 2019 had a resolution to appoint Mr. Peerasak Khantavichai as Company Secretary, to replace Mr. Sukthae Ruengwattanachot who resigned from Company Secretary.

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

Monetary Remuneration

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

The Annual General Shareholders' Meeting for year 2018 on April 3, 2018 determined the remuneration of Board of Directors and subcommittees as follows:-

8. Management Structure

2. The Remuneration of Directors and subcommittees

Group	Position	Meeting allowance (time/person)	Yearly remuneration (year/person)	Quarterly allowance (time/person)	Other privilege
The Board	Chairman	15,000	not over than 4% of net profit after corporate income tax of consolidated financial statement which is to be allocated by Board of Directors	-	-
	Director	12,500		-	-
Audit Committee	Chairman	15,000	100,000	10,000	-
	Director	12,500	80,000	10,000	-
Remuneration Committee	Chairman	15,000	-	-	-
	Director	12,500	-	-	-
Corporate Governance Committee	Chairman	15,000	-	-	-
	Director	12,500	-	-	-
Nomination Committee	Chairman	15,000	-	-	-
	Director	12,500	-	-	-

For the yearly allowance of directors of year 2018, on February 13, 2019, the Board of Directors' meeting no.1/2019 had passed the resolution to pay the yearly allowance of directors at baht 5.126 million or 3.99% of net profit after corporate income tax by allocating to 11 directors who held the position of director during the period as equal amount.

The Remuneration and the Frequency of the Board of Directors' Meetings in 2017-2018

(Unit : Baht)						
Directors	Annual Remuneration		Meeting Allowance		Entering of Meeting/Amount of Meeting (Time) per year	
	2017	2018	2017	2018	Ordinary (2017)	Ordinary (2018)
1. Mr. Ichiro Murata	434,400	466,000	105,000	75,000	7/7	5/5
2. Mr. Pornchak Manutham	434,400	466,000	87,500	62,500	7/7	5/5
3. Pol.Maj.Gen.Supchan Manutham	434,400	466,000	87,500	62,500	7/7	5/5
4. Mr. Masaaki Hirooka	434,400	466,000	87,500	50,000	7/7	4/5
5. Mr. Tsuyoshi Kameda	434,400	466,000	87,500	50,000	7/7	4/5
6. Mr. Hidetoshi Ueda ^①	434,400	398,689	87,500	37,500	7/7	3/4
7. Mr.Kazuma Saito ^②	-	67,311	-	12,500	-	1/1
8. Mr. Subhavas Bandhuvadh ^③	434,400	77,667	87,500	12,500	7/7	1/1
9. Mr. Sukthae Ruengwattanachot ^④	-	388,333	-	50,000	-	4/4
10. Mr. Yothin Vimooktayont	434,400	466,000	75,000	62,500	6/7	5/5
11. Assoc.Prof.Dr.Lawan Thanadsillapakul	434,400	466,000	87,500	62,500	7/7	5/5
12. Mr. Prasert Kittisakkul	434,400	466,000	87,500	62,500	7/7	5/5
13. Assoc.Prof.Pisit Vatanasomboon	108,600	466,000	37,500	62,500	3/3	5/5
Total	4,452,600	5,126,000	917,500	662,500	-	-

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

①, ② Mr. Kazuma Saito has been appointed as Director to replace Mr.Hidetoshi Ueda who resigned on November 8, 2018.

③, ④ Mr. Sukthae Ruengwattanachot has been appointed as Director to replace Mr.Subhavas Bandhuvadh who resigned on February 28, 2018.

8. Management Structure

The Remuneration of the Audit Committee in 2017-2018

(Unit : Baht)						
Audit Committee	Quarterly and yearly allowance		Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2017	2018	2017	2018	2017	2018
1.Assoc.Prof.Dr.Lawan Thanadsillapakul	140,000	140,000	210,000	225,000	14/14	15/15
2.Mr. Prasert Kittisakkul	120,000	120,000	175,000	187,500	14/14	15/15
3.Assoc.Prof.Pisit Vatanasomboon ①	30,000	120,000	62,500	187,500	5/5	15/15
4.Mr. Yothin Vimooktayont ②	90,000	-	112,500	-	9/9	-
Total	380,000	380,000	447,500	600,000	-	-

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

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

② Mr. Yothin Vimooktayont left from the Audit Committee since 30 September 2017, but still held the position of independent director.

The Remuneration of the Remuneration Committee in 2017-2018

(Unit : Baht)				
Remuneration Committee	Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2017	2018	2017	2018
1. Mr. Pornchak Manutham	60,000	30,000	4/4	2/2
2. Assoc.Prof.Dr. Lawan Thanadsillapakul	50,000	25,000	4/4	2/2
3. Mr. Prasert Kittisakkul	50,000	25,000	4/4	2/2
4. Mr. Masaaki Hirooka	50,000	25,000	4/4	2/2
Total	210,000	105,000	-	-

The Remuneration of the Corporate Governance Committee in 2017-2018

(Unit : Baht)				
Corporate Governance Committee	Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2017	2018	2017	2018
1. Assoc.Prof.Dr. Lawan Thanadsillapakul	60,000	75,000	4/4	5/5
2. Mr. Ichiro Murata	50,000	62,500	4/4	5/5
3. Mr. Yothin Vimooktayont	50,000	62,500	4/4	5/5
4. Pol.Maj.Gen.Supchan Manutham	50,000	62,500	4/4	5/5
5. Mr. Masaaki Hirooka	50,000	50,000	4/4	4/5
Director who was invited to attend the meeting				
1. Mr. Pornchak Manutham*	-	12,500	-	1/1
2. Mr. Sukthae Ruengwattanachot*	-	12,500	-	1/1
Total	260,000	337,500	-	-

Remarks: * Directors who was invited to attend the CGC meeting No 3/2018 on June 4, 2018

8. Management Structure

The Remuneration of the Nomination Committee in 2017-2018

(Unit : Baht)				
Nomination Committee	Meeting allowance		Entering of Meeting/Amount of Meeting(Time) per year	
	2017	2018	2017	2018
1. Assoc.Prof.Dr. Lawan Thanadsillapakul	30,000	-	2/2	-
2. Mr.Ichiro Murata	25,000	-	2/2	-
3. Pol.Maj.Gen.Supchan Manutham	25,000	-	2/2	-
Total	80,000	-	-	-

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

In 2018, the Company has no nomination. As a result, there is no payment of meeting allowance of this Nomination Committee.

The Remuneration of Executive Directors

(Unit : Baht)		
Detail	Directors who are management, and management	
	10 persons of year 2017	10 persons of year 2018
1.Salary	14,811,339	16,201,816
2.Meeting allowance	542,000	662,500
3.Bonus	3,617,695	3,809,234
4.Others welfare	2,859,718	2,883,143

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

Other remuneration

- none-

3. Personnel

Number of the employees

Number of the employees of the Company and its Subsidiary as of December 31, 2018 was 638 persons. Details of the expenses incurred in 2018 were described as follows:

Detail	Number of Employees (Person) As of 31 December 2018			Remuneration of 2018 (Thousand Baht)		Welfare of 2018 (Thousand Baht)		Expenses for Improving the Employees of 2018 (Thousand Baht)	
	Company	Subsidiary	Total	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary
Head Office	90	39	129	31,143	20,725	3,541	1,266	69	59
Factory	509	-	509	205,903	-	17,059	-	462	-
Total	599	39	638	237,047	20,725	20,600	1,266	531	59

Other Remunerations

Apart from the above-mentioned remuneration, the Company established a provident fund in 2005, according to the Provident Fund Act B.E. 2530. 3% of the employees' salary was paid by the Company to the provident fund. The employees could make a decision to be a member and pay 3% of their salaries. 2.85 was recorded as expenses paid by the Company and its Subsidiary into the provident fund in the income statement in 2018.

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

-N/A-

8. Management Structure

Labor disputes during the past 3 years

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

Training Courses and Improvement of the Personnel

Training courses and improvement of personnel in 2018 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, ISO9001:2015, ISO14001:2015 as well as the management and the department managers, so that the new employees will be familiar with the company's society promptly and less serious topics talked in an orientation include;

- History of the company
- Regulations and welfares of the company
- Safety at work
- Fundamental System of ISO9001
- Fundamental Environmental Management System of ISO14001.

2. Internal training: the employees in all levels were trained to enhance their knowledge and competence in order to apply them to the operation. The training courses included both for supervisors and employees. One course per month was conducted;

- Social welfare, tax payment
- Assessment by KPI
- Training of ISO 9001:2015
- Assessment technique and report
- Quality Control Circle Activities
- Positive Attitude
- Effective Planning & Monitoring Training
- Cost Reduction
- English for Business Communication Training
- QCC Competition
- Materials Safety Continuum Management
- Internal Audit
- Apply the formula and function of Excel for professional work

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

- UNLOCK THE FUTURE 2019
- ISO 45001:2016
- Mini master in Creative Digital Marketing
- The Next Big platform
- Advance Security For next-Gen Data center
- Microsoft Excel 2016 Level 2
- Reducing power loss and damage in electrical systems
- Industrial Io T Solution Expo 2018
- Industrial waste pollution management system
- New Purchase
- PHPO22:PHP for Web Application Development
- Social Security Insurance
- Employee Administration and Management 4.0
- Applying a Holistic Risk Management
- Data protection for Business :Road to GPR Standard
- Selection interview Employment test

8. Management Structure

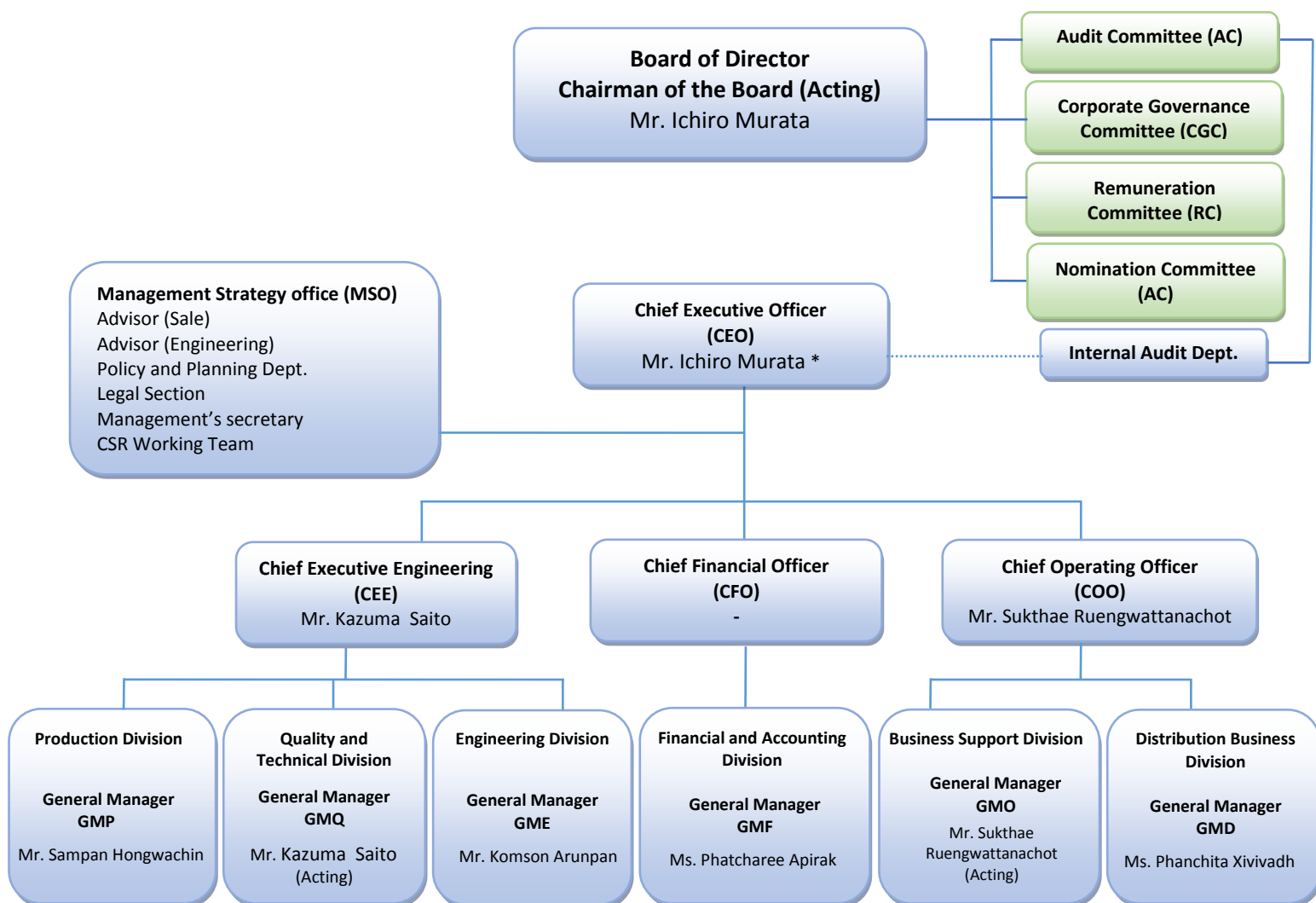
- Electrical installation standards for Thailand, 2556
- Warehouse Management and Cost Reduction
- Communication for Industrial safety for work
- The Seminar to Accounting Manager of Japan companies in Thailand 1st
- ISO 45001:2018 training for "Migration Workshop for OH&S Management System internal Auditor Illustrator cc 2018
- Professional Training on selection , Design, Installation and Maintenance of Low-Voltage Switchboard MDB
- Gas Regulators Controller, Water pollution controller, Air Pollution Treatment Controller training
- Certification of leadership in safety work for construction work and installation of machinery
- FN12: AQD GL Report Writer
- Business Process Reengineering

Training for enhancing the employees' development

Level of Employees	Average Training Hours / Employee	Target of Training
Management	116 Hrs.	<ol style="list-style-type: none"> 1.To cultivate the management's vision, capability and high competence to become the organization's mechanism to drive the organization's strategy to be efficient and effective 2.To allow the management to build or lead changes and to be ready for administration under the guidance for developing the organization to be successful and visible 3.To build the management's international competitive competence for the present and the future
Executive Officers / Professional Officers (Level 6-9)	102 Hrs.	<ol style="list-style-type: none"> 1.To cultivate more knowledge, competence, skills and good attitude towards work 2.To allow cooperation amongst the executive officers to jointly improve the organization and to drive the organization's mission towards the target 3.To build harmony and mutual vision in unity for appropriate administration and problem solving without delay 4.To cultivate the executive officers' international competitive competence for the present and the future
Operational Officers (Level 0-5)	244 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 work 2.To let the personnel to be able to work well and to do the colleagues' work 3.To increase the value of the organization's employees 4.To upgrade the career advancement 5.To cultivate the operational officers' international competitive competence for the present and the future

8.1 Organization Chart

The organization chart of Yuasa Battery (Thailand) Plc. and Subsidiary Company as of January 1, 2019



8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Mr. Ichiro Murata

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

Date of Appointment January 1, 2016


Period of Position 3 Years

Age / Nationality / Proportion of shareholding / Relation to Management	Education Background / Training / Holding the position in other business	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none">Corporate Governance Committee 3 Years <u>Age</u> <ul style="list-style-type: none">53 Years <u>Nationality</u> <ul style="list-style-type: none">Japanese <u>Proportion of shareholding</u> <ul style="list-style-type: none">Nil <u>Relation to Management</u> <ul style="list-style-type: none">Nil <u>Legal Action</u> <ul style="list-style-type: none">Nil	<u>Education</u> <ul style="list-style-type: none">Mechanical Engineering, Faculty of Engineering, University of Fukui, Japan <u>Training</u> <ul style="list-style-type: none">Certificate of Thailand Institute of Directors (IOD) - Director Accreditation Program (DAP) 125/2016 <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none">Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none">Nil	Present	Chairman of the Board (Acting), Vice Chairman of the Board, Chief Executive Officer, Corporate Governance Committee and Nomination Committee of Yuasa Battery (Thailand) PLC. and Yuasa Sales and Distribution Co., Ltd.
		2013	Division Manager, Production Engineering Division, Global Technical Headquarters, GS Yuasa International Ltd.
		2010	General Manager, Production Division, Automotive Battery Business Unit and Promotion Division, International Business Unit, GS Yuasa International Ltd.
		2009	Manager, Kyoto Automotive Battery Manufacturing Department, Production Division, Automotive Battery Business Unit, GS Yuasa Power Supply Ltd.
		2005	Director and Chief Executive Engineer, Yuasa Battery (Thailand) PCL.
		2004	Manager, Production Engineering dept., Production Engineering Center, GS Yuasa Manufacturing Ltd. Assistant Manager, Production Engineering DC, Yuasa Corporation.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times Corporate Governance Committee Meeting : 5/5 Times Yuasa Sales and Distribution Co.,Ltd. <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times 	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited

		Mr. Pornchak Manutham	
		Position	Director
		Date of Appointment	December 8, 2003
		Period of Position	15 Years
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none"> Chairman of Remuneration Committee 6 Years <u>Age</u> <ul style="list-style-type: none"> 64 Years <u>Nationality</u> <ul style="list-style-type: none"> Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none"> 1,000,000 shares or 0.93% <u>Relation to Management</u> <ul style="list-style-type: none"> Younger brother of Pol.Maj.Gen. Supchan Manuthan <u>Legal Action</u> <ul style="list-style-type: none"> Nil 	<u>Education</u> <ul style="list-style-type: none"> Master of Business Administration, Thammasart University Bachelor of Business Administration, Ramkhamhaeng University Bachelor of Science, Chulachomklao Royal Military Academy School <u>Training</u> <ul style="list-style-type: none"> Certificate of Thailand Institute of Directors (IOD) <ul style="list-style-type: none"> Director Accreditation Program (DAP) 23/2004 Director Certification Program (DCP) 156/2012 Role of the Chairman Program (RCP) 28/2012 Role of the Compensation Committee (RCC) 15/2012 <u>Holding the position of director in the listed company and other company</u> <u>listed company</u> <ul style="list-style-type: none"> Nil <u>other company</u> <ul style="list-style-type: none"> Director; Yuasa Sales and Distribution Co.,Ltd. 15 Years Director; Metropolitan Motor Service Co.,Ltd. 24 Years Director; Fuij mercantile Co.,Ltd. 21 Years Director; Central Agency Co.,Ltd. 23 Years <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none"> Nil 	2003-Present	Director and Chairman of Remuneration Committee of Yuasa Battery (Thailand) PLC. Director; Yuasa Sales and Distribution Co., Ltd.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times Remuneration Committee meeting : 2/2 Times Yuasa Sales and Distribution Co.,Ltd. <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times 	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Pol.Maj.Gen.Supchan Manutham

Position Director

Date of Appointment May 8, 2012


Period of Position 6 Years 7 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none"> Corporate Governance Committee 3 Years <u>Age</u> <ul style="list-style-type: none"> 72 Years <u>Nationality</u> <ul style="list-style-type: none"> Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none"> Nil <u>Relation to Management</u> <ul style="list-style-type: none"> Elder brother of Mr. Pornchak Manutham <u>Legal Action</u> <ul style="list-style-type: none"> Nil 	<u>Education</u> <ul style="list-style-type: none"> Master of Public Administration, Chulalongkorn University Bachelor of law, Thammasart University <u>Training</u> <ul style="list-style-type: none"> Certificate of Thailand Institute of Directors (IOD) Director Accreditation Program (DAP) 91/2011 <u>Holding the position of director in the listed company and other company</u> <u>listed company</u> <ul style="list-style-type: none"> Chairman Zeer property Public Co.,Ltd. 7 Years <u>other company</u> <ul style="list-style-type: none"> Director; Yuasa Sales and Distribution Co.,Ltd. 6 Years Director; Manutham Mansion Dept.Co., Ltd 26 Years Director; North East Green Energy (Thailand) Co.,Ltd 7 Years <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none"> Nil 	Present	Director, Corporate Governance Committee and Nomination committee of Yuasa Battery (Thailand) PLC. and Director; Yuasa Sales and Distribution Co., Ltd
		1992-Present	Director, Manutham Mansion Dept.Co., Ltd
		2011-Present	Director, North East Green Energy (Thailand) Co.,Ltd.
		2011-Present	Chairman, Zeer property Public Co.,Ltd.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times Corporate Governance Committee Meeting : 5/5 Times Yuasa Sales and Distribution Co.,Ltd. <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times 	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited

		Mr. Subhavas Bandhuvadh	
		Position	Director
		Date of Appointment	April 19, 2004
		Period of Position	14 Years 8 Months
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none">Nil <u>Age</u> <ul style="list-style-type: none">64 Years <u>Nationality</u> <ul style="list-style-type: none">Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none">500 shares or 0.0005% <u>Relation to Management</u> <ul style="list-style-type: none">Nil <u>Legal Action</u> <ul style="list-style-type: none">Nil 	<u>Education</u> <ul style="list-style-type: none"> Bachelor Degree of Law, Chulalongkorn University Certificate of International law at Hague, Netherlands Management and Marketing Program University of California at Los Angeles (UCLA) Extension <u>Training</u> <ul style="list-style-type: none"> Certificate of Thailand Institute of Directors (IOD) <ul style="list-style-type: none"> Director Accreditation Program (DAP) 21/2004 Finance for Non – Finance Directors (FND) 14/2004 <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none">Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none">Nil 	Present	Director and Company's Counselor; Yuasa Battery (Thailand) PLC.
		2006-2014	Chief Operating Officer and Director, Yuasa Battery (Thailand) PLC.
		2006-2007	Director, Listed Company Association
		2006-2007	Director and Senior Executive Vice President, Yuasa Battery (Thailand) PLC.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 1/1 Times Shareholder Meeting : - Times Remark : Mr. Subhavas Bandhuvadh had resigned as Director from February 28, 2018	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Mr. Tsuyoshi Kameda

Position Director

Date of Appointment August 6, 2015

Period of Position 3 Year 4 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none">Nil <u>Age</u> <ul style="list-style-type: none">53 Years <u>Nationality</u> <ul style="list-style-type: none">Japanese <u>Proportion of shareholding</u> <ul style="list-style-type: none">Nil <u>Relation to Management</u> <ul style="list-style-type: none">Nil <u>Legal Action</u> <ul style="list-style-type: none">Nil 	<u>Education</u> <ul style="list-style-type: none">Graduated from Department of Chemical Engineering of Himeji Institute of Technology, Japan <u>Training</u> <ul style="list-style-type: none">Was not yet trained by Thailand Institute of Directors (IOD) <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none">Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none">Nil 	Present	Director; Yuasa Battery (Thailand) PLC. and Yuasa Sales and Distribution Co., Ltd
		2011-Present	General Manager, Technical Strategic Planning Office, Global Technical Headquarters, GS Yuasa International Ltd. and General Manager, Corporate Strategic Planning Office, GS Yuasa International Ltd. and General Manager, Automotive Battery Business Promotion Division, International Business Unit, GS Yuasa International Ltd.
		2009-2011	General Manager, Automotive Battery Business Promotion Division, International Business GS Yuasa International Ltd.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 4/5 Times Shareholder Meeting : 1/1 Times Yuasa Sales and Distribution Co.,Ltd. <ul style="list-style-type: none"> Board of Directors Meeting : 4/5 Times Shareholder Meeting : 1/1 Times 	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Mr. Masaaki Hirooka

Position Director

Date of Appointment September 1, 2016

Period of Position 2 Year 4 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none"> Remuneration Committee 2 Years Corporate Governance Committee 2 Years <u>Age</u> <ul style="list-style-type: none"> 55 Years <u>Nationality</u> <ul style="list-style-type: none"> Japanese <u>Proportion of shareholding</u> <ul style="list-style-type: none"> Nil <u>Relation to Management</u> <ul style="list-style-type: none"> Nil <u>Legal Action</u> <ul style="list-style-type: none"> Nil 	<u>Education</u> <ul style="list-style-type: none"> Faculty of Foreign Studies with a degree of Bachelor of Arts, Kobe City University, Chinese <u>Training</u> <ul style="list-style-type: none"> Was not yet trained by Thailand Institute of Directors (IOD) <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none"> Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none"> Nil 	Present	Director, Remuneration Committee and Corporate Governance Committee of Yuasa Battery (Thailand) PLC. and Director, Yuasa Sales and Distribution Co., Ltd.
		Aug 2015-Present	Deputy Division Manager, Business Development Division, GS Yuasa International Ltd. (GYIN) and General Manager, 3 rd Business Development, GYIN
		Apr 2015-Jul 2015	General Manager, International Business Unit Planning Division, GYIN and General Manager, Corporate Strategic Planning Office, GYIN
		Apr 2012-Mar 2015	General Manager, Corporate Strategic Planning Office, GYIN
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times Remuneration Committee Meeting : 2/2 Times Corporate Governance Committee Meeting : 4/5 Times Yuasa Sales and Distribution Co., Ltd. <ul style="list-style-type: none"> Board of Directors Meeting : 4/5 Times Shareholder Meeting : 1/1 Times 	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Mr. Hidetoshi Ueda

Position Director

Date of Appointment April 8, 2016

Period of Position 2 Year 8 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none">Nil <u>Age</u> <ul style="list-style-type: none">57 Years <u>Nationality</u> <ul style="list-style-type: none">Japanese <u>Proportion of shareholding</u> <ul style="list-style-type: none">Nil <u>Relation to Management</u> <ul style="list-style-type: none">Nil <u>Legal Action</u> <ul style="list-style-type: none">Nil 	<u>Education</u> <ul style="list-style-type: none">Faculty of Economics, Hitotsubashi University, Japan <u>Training</u> <ul style="list-style-type: none">Was not yet trained by Thailand Institute of Directors (IOD) <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none">Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none">Nil 	Present	Director, Yuasa Battery (Thailand) PLC.
		2014-Present	Entered into Yuasa Corporation
		2012-2014	General Manager, Planning Division, International Business Unit, GS Yuasa International Ltd
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 3/4 Times Shareholder Meeting : 1/1 Times Remark : Mr. Hidetoshi Ueda had resigned as Director from November 8, 2018	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Mr. Kazuma Saito

Position

Director and Chief Executive Engineer

Date of Appointment

April 1, 2016

Period of Position

8 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background / Training / Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none"> Nil <u>Age</u> <ul style="list-style-type: none"> 40 Years <u>Nationality</u> <ul style="list-style-type: none"> Japanese <u>Proportion of shareholding</u> <ul style="list-style-type: none"> Nil <u>Relation to Management</u> <ul style="list-style-type: none"> Nil <u>Legal Action</u> <ul style="list-style-type: none"> Nil 	<u>Education</u> <ul style="list-style-type: none"> Graduated from Materials Science and Processing; Master's Program: Graduate School of Engineering, Osaka University, Japan <u>Training</u> <ul style="list-style-type: none"> Was not yet trained by Thailand Institute of Directors (IOD) <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none"> Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none"> Nil 	2018-Present	Director, Yuasa Battery (Thailand) PLC.
		2017-Present	Chief Executive Engineer, Yuasa Battery (Thailand) PLC.
		2016-2017	Assistant Manager and Manager, Motorcycle Battery Group, Automotive Battery Technical Department, Global Technical Headquarters, GS Yuasa International Ltd.
		2011	Assistant Manager, Group I, Department III, Technical Development Division, Global Technical Headquarters, GS Yuasa International Ltd.
		2010	Development Group, R&D Department, Technical Development Division, GS Yuasa International Ltd.
		2007	Technical Department, Technical Development Headquarter, GS Yuasa Manufacturing Ltd.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 1/1 Times Shareholder Meeting : - Times Remark : Mr.Katzuma Saito has been appointed as Director from November 8, 2018	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Mr. Sukthae Ruengwattanachot

Position Director and Chief Operating Officer and Company Secretary

Date of Appointment February 28, 2018


Period of Position 10 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background / Training / Legal Action	Working Experience in the Last 5 Years	
		Period	Period
<u>Holding the position of Company's executive</u> <ul style="list-style-type: none"> Company Secretary 12 Years 10 Months <u>Age</u> <ul style="list-style-type: none"> 51 Years <u>Nationality</u> <ul style="list-style-type: none"> Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none"> Nil <u>Relation to Management</u> <ul style="list-style-type: none"> Nil <u>Legal Action</u> <ul style="list-style-type: none"> Nil 	<u>Education</u> <ul style="list-style-type: none"> Master Degree of Economic Development, The National Institution of Development Administration (NIDA) Bachelor Degree of Economic and Bachelor Degree of Accounting Ramkhamhaeng University Bachelor Degree of Law, SukhothaiThammathirat Open University Tax Auditor <u>Training</u> <ul style="list-style-type: none"> Was not yet trained by Thailand Institute of Directors (IOD) <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none"> Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none"> Nil 	2018-Present	Director & Chief Operating Officer & Secretary of Management Committee & Secretary of Nomination Committee of Yuasa Battery (Thailand) PLC.
		2004-Feb 2019	Company Secretary of Yuasa Battery (Thailand) PLC.
		2006-2014	General Manager (Operation) & Company Secretary & Secretary of Management Committee Yuasa Battery (Thailand) PLC.
		2004-2005	Policy & Planning Manager & Company Secretary & Secretary of Management Committee Yuasa Battery (Thailand) PLC.
		2003-2004	Manager, office of the President
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 4/4 Times Shareholder Meeting : 1/1 Times Remark : Mr.Sukthae Ruengwattanachot has been appointed as Director from February 28, 2018 and he had resigned as Company Secretary from February 13, 2019	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited

<div>  <div> Mr. Yothin Vimoohtayon Position Independent Director Date of Appointment April 22, 2008 Period of Position 10 Years 8 Months </div> </div>			
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none">Corporate Governance Committee 3 Years <u>Age</u> <ul style="list-style-type: none">71 Years <u>Nationality</u> <ul style="list-style-type: none">Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none">Nil <u>Relation to Management</u> <ul style="list-style-type: none">Nil <u>Legal Action</u> <ul style="list-style-type: none">Nil	<u>Education</u> <ul style="list-style-type: none">Master degree of Political Science, Burapha University.Bachelor of Laws, Thammasart University.Mini MBA, Thammasart University.B.A. Economics Chiang Mai University. <u>Training</u> <ul style="list-style-type: none">Certificate of Thailand Institute of Directors (IOD)Director Certification Program (DCP) 72/2006 <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none">Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none">Nil	Present	Independent Director and Corporate Governance Committee, Yuasa Battery (Thailand) PLC.
		2008-2017	Independent Director and Audit Committee and Corporate Governance Committee, Yuasa Battery (Thailand) PLC.
		2009-Present	Director, Wat Benchamabopit Dusitvanaram Association.
		2004-2007	Deputy director of Excise Department.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 0/1 Times Corporate Governance Committee Meeting : 5/5 Times Remark : Mr. Yothin Vimoohtayont left from the Audit Committee since 30 September 2017, but still held the position of independent director.	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Assoc.Prof.Dr. Lawan Thanadsillapakul

Position

Independent Director and Chairman of Audit Committee

Date of Appointment

April 21, 2010

Period of Position

8 Years 8 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none"> Chairman of Audit Committee 4 Years (Appointed to be Audit Committee for 8 Years 8 Months) Remuneration Committee 6 Years Chairman of Corporate Governance Committee 3 Years <u>Age</u> <ul style="list-style-type: none"> 62 Years <u>Nationality</u> <ul style="list-style-type: none"> Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none"> Nil <u>Relation to Management</u> <ul style="list-style-type: none"> Nil <u>Legal Action</u> <ul style="list-style-type: none"> Nil 	<u>Education</u> <ul style="list-style-type: none"> 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. <u>Training</u> <ul style="list-style-type: none"> Certificate of Thailand Institute of Directors (IOD) <ul style="list-style-type: none"> 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 Director Examination (EXAM)35/2012 Role of the Compensation Committee (RCC) 14/2011 Director Certification Program (DCP) 141/2011 Financial Statements for Directors (FSD) 22/2013 Director Luncheon Briefing (M-DLB) 2/2016 National Director Conference (NDC) 1/2016 Audit Committee Forum (R-ACF) 1/2016 Director Forum (R-DF) 1/2016 Board that Make a Difference (BMD) 3/2016 Anti Corruption : The Practical Guide (ACPG) 35/2017 Director Dinner Talk (M-DDT) 2/2018 Annual General Meeting (M-AGM) 1/2018 	Present	Independent Director and Chairman of Audit Committee, Remuneration Committee, Chairman of Corporate Governance Committee, Chairman of Nomination Committee of Yuasa Battery (Thailand) PLC.
		Present	Associate Professor of Graduate School, Faculty of Law, Kyushu University, Japan
		Present	Assistant Professor, School of Law, Sukhothai Thammathirat Open University
		Present	Director of the Institute for International Economic and Business Law Study
		Present	Arbitrator of the Office of Arbitration
		Present	Auditor of the Internal Quality Assurance at the university level
		Present	Visiting Professor and Associate Professor in foreign University such as Japan, Belgium and United Kingdom etc. Invited Lecturer in the university such as Sripatum University and Thai Chamber of Commerce University etc.
		<u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none"> Nil 	
		<u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none"> Nil 	
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times Audit Committee Meeting : 15/15 Times Remuneration Committee Meeting : 2/2 Times Corporate Governance Committee Meeting : 5/5 Times 	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Mr. Prasert Kitisakkul

Position

Independent Director and Audit Committee

Date of Appointment

April 21, 2010

Period of Position

8 Years 8 Months

Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company’s subcommittee</u> <ul style="list-style-type: none">Audit Committee 8 Years 8 MonthsRemuneration Committee 4 Years <u>Age</u> <ul style="list-style-type: none">68 Years <u>Nationality</u> <ul style="list-style-type: none">Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none">2,000 shares or 0.002% <u>Relation to Management</u> <ul style="list-style-type: none">Nil <u>Legal Action</u> <ul style="list-style-type: none">Nil	<u>Education</u> <ul style="list-style-type: none">Bachelor degree of science (Business Administration) La Salle University, USA. <u>Training</u> <ul style="list-style-type: none">Certificate of Thailand Institute of Directors (IOD)<ul style="list-style-type: none">Director Accreditation Program (DAP) 39/2005Director Certification Program (DCP) 139/2009 <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none">Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none">Nil	Present	Independent Director and Audit Committee, Remuneration Committee of Yuasa Battery (Thailand) PLC.
		2009-Present	Board Director, Thian Fah Foundation Hospital.
		Present	Counselor for the Chairman of the Monitoring and Auditing Committee of the Police Management Plabplachai 2 Police Station.
		2012-2016	Chairman of the Monitoring and Auditing Committee of the Police Management Plabplachai 2 Police Station.
		2003-2005	Specialist for the Monitoring and Budget Management Committee of the representative. Working group of the Monitoring and Budget Management Committee of the government sector in Bangkok and perimeter, the Monitoring and Budget Management Committee of the representative.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none">Board of Directors Meeting : 5/5 TimesShareholder Meeting : 1/1 TimesAudit Committee Meeting : 15/15 TimesRemuneration Committee Meeting : 2/2 Times	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited



Assoc.Prof. Pisit Vatanasomboon

Position

Independent Director and Audit Committee

Date of Appointment

October 1, 2017

Period of Position


1 Year 3 Months


Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background and Training	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's subcommittee</u> <ul style="list-style-type: none"> Nil <u>Age</u> <ul style="list-style-type: none"> 61 Years <u>Nationality</u> <ul style="list-style-type: none"> Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none"> Nil <u>Relation to Management</u> <ul style="list-style-type: none"> Nil <u>Legal Action</u> <ul style="list-style-type: none"> Nil 	<u>Education</u> <ul style="list-style-type: none"> B.Sc.(Public Health) majoring in Sanitary Science, Mahidol University M.Sc.(Public Health) in Environmental Health, Mahidol University <u>Training</u> <ul style="list-style-type: none"> Was not yet trained by Thailand Institute of Directors (IOD) <u>Holding the position of director in the listed company and other company</u> <ul style="list-style-type: none"> Nil <u>Holding the position in other business that may lead to conflict of interest</u> <ul style="list-style-type: none"> Nil 	Present	Independent Director and Audit Committee, Yuasa Battery (Thailand) PLC.
		2013	Head, Department of Environmental Health Sciences, Faculty of Public Health, Mahidol University.
		2006-2013	Chairman of Administrative Committee, Master of Science Programmer in Environmental Sanitation
		2002-2006	Head, Department of Environmental Health Sciences, Faculty of Public Health, Mahidol University.
		2000-2002	Deputy Head, Department of Environmental Health Sciences, Faculty of Public Health, Mahidol University.
		1996-2002	Secretary of Administrative Committee, Master of Science Programme in Environmental Sanitation
		1992-1996	Dean coordinator, Faculty of Public Health, Mahidol University.
		<u>Number of meetings attended/Number of total meetings (Times/2018)</u> Yuasa Battery (Thailand) PLC <ul style="list-style-type: none"> Board of Directors Meeting : 5/5 Times Shareholder Meeting : 1/1 Times Audit Committee Meeting : 15/15 Times Remark : Assoc.Prof. Pisit Vatanasomboon has been appointed as Independent director and Audit Committee from October 1, 2017	

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited


		Miss Phatcharee Apirak Position Assistant General Manager (Financial and Accounting Division) Date of Appointment July 1, 2015 Period of Position 3 Year 5 Months	
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's executive</u> <ul style="list-style-type: none">Nil <u>Age</u> <ul style="list-style-type: none">47 Years <u>Nationality</u> <ul style="list-style-type: none">Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none">Nil <u>Relation to Management</u> <ul style="list-style-type: none">Nil 	<u>Education</u> <ul style="list-style-type: none">Bachelor Degree of Business Administration (Accounting) Ramkhamhaeng University <u>Legal Action</u> <ul style="list-style-type: none">Nil 	Present	Assistant General Manager (Financial and Accounting Division) Yuasa Battery (Thailand) PLC. and Financial and Accounting Manager Yuasa Sales and Distribution Co., Ltd
		1997	Financial and Accounting Manager Yuasa Sales and Distribution Co., Ltd


		Miss Phanchita Xivivadh Position General Manager (Distribution Business Division) Date of Appointment May 1, 2016 Period of Position 2 Year 8 Months	
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's executive</u> <ul style="list-style-type: none">Nil <u>Age</u> <ul style="list-style-type: none">43 Years <u>Nationality</u> <ul style="list-style-type: none">Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none">Nil <u>Relation to Management</u> <ul style="list-style-type: none">Nil 	<u>Education</u> <ul style="list-style-type: none">Bachelor Degree of Communication Arts, Bangkok University <u>Training</u> <ul style="list-style-type: none">Thai <u>Legal Action</u> <ul style="list-style-type: none">Nil 	Present	General Manager (Distribution Business Division), Yuasa Sales and Distribution Co., Ltd
		2014 - 2016	Assistant General Manager (Replacement Market, Modern Trade Market and Marketing), Yuasa Sales and Distribution Co., Ltd
		2013	Assistant General Manager of Modern Trade Market, Yuasa Sales and Distribution Co., Ltd
		2012	Assistant General Manager, Yuasa Sales and Distribution Co., Ltd

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited


		Mr. Komson Arunpan Position General Manager (Technical Support Division) Date of Appointment August 1, 2014 Period of Position 4 Years 4 Months	
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's executive</u> • Nil <u>Age</u> • 49 Years <u>Nationality</u> • Thai <u>Proportion of shareholding</u> • Nil <u>Relation to Management</u> • Nil	<u>Education</u> • Bachelor Degree of Science, Faculty of Science Naresuan University <u>Legal Action</u> • Nil	Present	General Manager (Technical Support Division) Yuasa Battery (Thailand) PLC.
		2008-2014	General Manager (Quality) & General Manager (Plant) Yuasa Battery (Thailand) PLC.
		2006-2007	Plant Manager Yuasa Battery (Thailand) PLC.


		Mr. Sampan Hongwachin Position General Manager (Production Division) Date of Appointment July 1, 2015 Period of Position 3 Year 5 Months	
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company's executive</u> • Nil <u>Age</u> • 48 Years <u>Nationality</u> • Thai <u>Proportion of shareholding</u> • Nil <u>Relation to Management</u> • Nil	<u>Education</u> • Bachelor Degree of Science, Faculty of Science Burapa University <u>Legal Action</u> • Nil	Present	General Manager (Production Division), Yuasa Battery (Thailand) PLC.
		2015	General Manager (Plant), Yuasa Battery (Thailand) PLC.
		2014	Assistant General Manager (Plant), Yuasa Battery (Thailand) PLC.

8.2 Director and management



Yuasa Battery (Thailand) Public Company Limited

		Miss Darawan Suksawat	
		Position	Internal Audit Manager
		Date of Appointment	April 3, 2006
		Period of Position	12 Years 8 Months
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company’s executive</u> <ul style="list-style-type: none">Secretary of Audit Committee 12 Years 8 MonthsSecretary of Corporate Governance Committee 2 Years <u>Age</u> <ul style="list-style-type: none">50 Years <u>Nationality</u> <ul style="list-style-type: none">Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none">Nil <u>Relation to Management</u> <ul style="list-style-type: none">Nil	<u>Education</u> <ul style="list-style-type: none">Master Degree of Business Administration Ramkhamhaeng UniversityBachelor Degree of Business Administration Rangsit University <u>Training</u> <p>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”</p> <u>Legal Action</u> <ul style="list-style-type: none">Nil	2006 - Present	Internal Audit Manager , Secretary of Audit Committee and Secretary of Corporate Governance Committee Yuasa Battery (Thailand) PLC.

		Mr.Peerasak Khantavichai	
		Position	Company Secretary and Lawyer Manager
		Date of Appointment	April 13, 2019
		Period of Position	2 Months
Age/Nationality/Proportion of shareholding/ Relation to Management	Education Background/ Legal Action	Working Experience in the Last 5 Years	
		Period	Position and Institution/Company
<u>Holding the position of Company’s executive</u> <ul style="list-style-type: none">Nil <u>Age</u> <ul style="list-style-type: none">40 Years <u>Nationality</u> <ul style="list-style-type: none">Thai <u>Proportion of shareholding</u> <ul style="list-style-type: none">Nil <u>Relation to Management</u> <ul style="list-style-type: none">Nil	<u>Education</u> <ul style="list-style-type: none">Bachelor Degree of Laws Program Faculty of law Ramkhamhaeng University <u>Legal Action</u> <ul style="list-style-type: none">Nil	Present	Company Secretary at Yuasa Battery (Thailand) PLC.
		2017-Present	Lawyer Manager at Yuasa Battery (Thailand) PLC.
		2015-2016	Senior Legal at Yuasa Battery (Thailand) PLC.
		2013-2014	Lawyer Manager at PTG Energy Public Company Limited and Petroleum Thai Corporation Ltd.

9. Corporate Governance

Corporate Governance

The Board of Directors, as a leader who must control the organization to have good management, is aware of the importance of good corporate governance as it shall bring transparency and increase confidence for shareholder and stakeholders. Hereby, in the Board of Directors meeting no.5/2015 on November 5, 2015 had approved the appointment of Corporate Governance Committee to conducted the good practices for the Board of Directors committee and employees to have knowledge and understanding in Good Corporate Governance Code (GCG Code) and applicable to concrete operationally which will raise the standards, ethical and virtue of business to conform to GCG code.

In the Board of Directors meeting no.1/2019 on February 13, 2019 had approved resolution for new general principle of GCG Code to consider and review the practices of good corporate governance for committee, management and employee could apply appropriately.

The serious control and operation of Corporate Governance Committee are important factors which lead to efficient and effective administration, continuous and steady expansion of business and sustainable growth of business administration to conform to GCG Code as regulations of the Securities and Exchange Commission Thailand (SEC) and the Stock Exchange of Thailand (SET).

Moreover, in order to raise awareness of all concerned department for applying and performing of corporate governance continuously. The Company has assigned the Policy and Planning Department to review the compliance of GCG Code every year by follow the additional guideline of good practices that shall be issued by involved department, and to make the action plan for improving the practices of GCG code in line with the criteria of evaluation of Institute of Directors (IOD) continuously. And such plan would be proposed to the management and Corporate Governance Committee to consider and monitor its improvement every quarter and collect practices' data of its improvement to propose to the Board of Directors Committee to consider and review or appropriate apply to business operation at least 1 time per year.

The Board of Directors defined the policy and considered the general principle of GCG Code for applying to operation. Company would like to report the general principle of GCG Code to be complied with the regulations of SET by divided 8 categories as the following details:-

1. Good Corporate Governance Policy

1. The Board of Directors has an important role in defining the business goals, 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 business operation shall be care, prudence and honesty 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 business ethics for the directors and the employees' compliance.
9. The Board of Directors shall follow and evaluate the adaptation of good corporate governance policy. And shall review the adaptation of good corporate governance policy at least 1 time per year.

9. Corporate Governance

2. The objective and business goal for sustainability.

To define the objective and business goal for sustainability, the Company shall define the vision, mission, core value and business goal for the committees, the managements and the employees' compliance. (Details are provided in part of policy and overall business operation)

3. The reinforcement for effectiveness of committee.

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:-

3.1 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.

3.2 Duty and responsibility of Director, Audit Committee, Chief Executive Officer and Company secretary (The details are in the part of Management Structure)

3.3 Directors and management remuneration (The details are in the part of Management Structure)

- (1) 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. The said remuneration, however, was already approved by the shareholder meeting.
- (2) Management remuneration: It is relatively in line with the policy and also in correspondent with the operation performance of Company and each individual's management's perform.

3.4 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% 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 3 independent directors. This number is sufficient for check and balance between committee and management.

3.5 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, authorized directors are Mr. Pornchak Manutham and Mr. Ichiro Murata also certify the correctives and completeness of financial statement which disclose as SET' regulation in each quarter.

3.6 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.

9. Corporate Governance

- 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.

3.7 Improvement of Directors and Executive

The company has a policy to encourage and support the Directors, Executive and Company Secretary to attend training courses held by outside agencies such as the Thai Institute of Directors (IOD), Thai listed Company Association, and other institutions related. This is to ensure that their duties are implemented effectively. The Company Secretary shall make the history of training courses, and propose the appropriate courses to each director for consideration. In 2018, Assoc.Prof.Dr.Lawan Thanadsillapakul, the director who attended the training courses for Director Dinner Talk (M-DDT 2/2018) and Annual General Meeting (M-AGM 1/2018) of Thai Institute of Directors (IOD).

For a new director, the Company has a policy to prepare an orientation. The Company Secretary provides the Director Guidance which contains details of the roles, duty and responsibility, holding and trading of securities, report of interests, management of meetings, disclosure of information, contact with the management, remuneration and benefits of the Board and the Sub-committees, table of authorization and general information of the Company. In 2018, the Company prepared the director's handbook for the new director 2 persons Mr. Sukthae Ruengwattanachot and Mr. Kazuma Saito.

3.8 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.

3.9 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.

4. Ensure Effective CEO and People management

The recruitment and appointment of directors

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

1. The Board shall take into consideration of a selected director based on experience, vision, capability and personal character and submit it for further approval of the shareholder meeting.
2. In any annual shareholder meeting, as according to Company's regulations, a one-third of directors must retire and in the event the retiring director is to be reelected, then, the approval of shareholder meeting is required. In nominating director for the meeting's appointment, Company shall have sufficient information of such person for the decision of shareholders.

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

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

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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.

Further, the Company has set the sub-committee to audit, nominate and set the remuneration of the management. Currently, the Company has sub-committee as follows:-

- **Audit Committee**

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

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

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

- **Remuneration Committee**

The Remuneration Committee consists of 4 members, appointed by the Board of Directors' Meeting. The Remuneration Committee has duty to control the fair and transparent operation of providing remuneration for the directors and the top management.

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

- **Corporate Governance Committee**

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

- **Nomination Committee**

The Board of Directors shall set the Nomination Committee when the nomination of new director is required. The Nomination Committee comprises of 3 members. They have the duty to set the criteria and policy of nominating the independent director by considering from the appropriateness of number, structure and composition of the Board, identifying the qualification of independent director to propose the Board of Directors and/or propose the Shareholders' Meeting for approval, depending on cases and nominating, selecting and proposing the appropriate person for holding the position of independent director whose term of tenure is completed and/or vacancy and/or additional appointment.

- **Other Sub-Committees**

The other sub-committees had not been established, apart from the Audit Committee, the Remuneration Committee, Corporate Governance Committee and Nomination Committee which will be appointed case by case.

- **Supervision of operations of subsidiary Company**

The Company holds a 99.99 percent in Yuasa Sales and Distribution Co.,Ltd. (Subsidiary Company). So, the Company has delivered some of the directors as a director of a subsidiary. The company has established the regulations of subsidiary Company to have the rules of entering into the related transaction, acquisition or

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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. Nurture Innovation and Responsible Business

5.1 Nurture Innovation

Company has emphasized on the importance of the nurture innovation by cooperate with supplier for quality improvement and cost reduction of part and raw material continuously. Moreover, Company improved the claim system to be effectiveness and also established Customer Services Department for supporting and giving corrective recommendation to customer. These are increased communication between Company and customer to be more convenience.

5.2 Responsible Business

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:-

5.2.1 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 2018, the Company and its Subsidiary paid THB 2.85 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.

5.2.2 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.

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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.

5.2.3 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 provide the trading information to the customers, marketing staff must have complete, accurate and enough information for the decision of customers and must give the equality to every customers.
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.

5.2.4 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.

5.2.5 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.

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5.2.6 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.

5.2.7 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.

5.2.8 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 ISO9001 or relative and ISO14001 with customers or suppliers efficiently.
2. To develop 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.

5.2.9 Anti-corruption

The Board of Directors has supervised to establish policy and practices of Anti-corruption. The policy set the whistleblowing process to be guideline for the investigation of complaints and whistleblower protection measure to ensure the transparency of business operations both of direct and indirect factors.

In 2018, Company has established project of "Thailand private sector collective action coalition against corruption". Company has submitted a declaration of intent to join the project and received feedback on March 16, 2018. In 2018 the committees which has been appointed by CEO, are continuously report the progress of operation to corporate governance committee.

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, peerasak@yuasathai.com , or 02-769-7300 extension no. 7344;

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 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.

6. Internal control and appropriate risk management (Strengthen Effective Risk Management)

6.1 Internal Audit

The Board of Directors assigned audit committee to assess internal control and propose opinion of adequate and appropriate of internal control to The Board of Directors every year. The Audit Committee shall

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

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

- **Audit fee**

In 2018, the Company and its Subsidiary paid the audit fee to KPMG Phumchai Audit Company Limited, Company's auditor, at amount of 1.88 million baht. The amount was divided into 1.46 million baht for Yuasa Battery (Thailand) PLC. and 0.42 million baht for the Subsidiary.

- **Non-audit fee**

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

6.2 Risk Management

The management established sub-working team and assigned internal audit department manager to gather and propose report to CEO.

6.3 Monitoring usage of inside information

6.3.1 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 Exchange of Thailand'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 details in part of related transaction)

6.3.2 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 Exchange of Thailand 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 financial statement, 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.

7. Ensure disclosure and Financial Integrity

7.1 Financial integrity:

7.1.1 The Board of Directors recognizes to maintain the financial integrity and disclosure of information. The top management of finance and accounting department, accountant and company secretary

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shall be responsible for disclosing information. And before the approval of the disclosure of information, especially financial reports must include the following information:-

- The assessment result of internal control system.
- The opinion of external auditor for financial statement and comments of external auditor about internal control system.
- The opinion of Audit Committee.
- The compliance with the objectives, goals, strategies and policies of the Company.

7.1.2 Audit Committee shall monitor, supervise and evaluate the financial position of the Company and report to the Board of Directors about the financial status and ability to pay the debts on quarterly basis. In case of approval of any transactions, the Board of Directors shall consider such issue without affecting the financial liquidity or the ability to repay the debt of the Company.

7.1.3 The Board of Directors has assigned the financial and accounting department to prepare the financial problem-solving plan with regard to the rights of stakeholders if it starts to show signs of financial liquidity problems and debt repayment ability. The Board of Directors and the management shall find the ways to solve the problem reasonably and quickly.

7.1.4 The Board of Directors shall monitor the management to regularly report the financial status and supervise the management to conduct the business with precaution and comply with the requirements of information disclosure.

7.2 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.

7.2.1 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.

7.2.2 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.

7.3 Relation with the investor

The Board of Directors emphasizes on the disclosure of important information that affects to the share price of the Company. The management has disclosed such information accurately, completely and reliably. In case of Investor relation, the Company has also set the policy and planning department which has a duty to

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disclose any information through the channel of Stock Exchange of Thailand. And GM (Financial and Accounting Division) and Chief Operating Officer are assigned to do such duties. The investors can contact to receive the information during office hours by calling to 02-7697300

7.4 Using the technology to disclose the information

Company has disclosed the Thai and English information through channel of Stock Exchange of Thailand and website of the Company. The Board of Director has assigned the policy and planning department to regularly disclose the information and update the information.

7.5 Sustainability Report

Company has been preparing the Sustainability Report in order to gather responsibility guides, organizational directions, organization core information, directions and scopes in term of economy, environment and security aspects.

8. Ensure Engagement and Communication with Shareholder

8.1 the right of shareholders

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

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

1. The shareholders were given an opportunity to propose agendas of the Shareholders Meeting and names of candidates for directors in advance during September 28th, 2018 to December 31st, 2018. 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".
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: peerasak@yuasathai.com , sukthae@yuasathai.com of policy and planning department which is supervised by company secretary.
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.

8.2 Communication and Equitable Treatment with Shareholders

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, peerasak@yuasathai.com , sukthae@yuasathai.com or 02-769-7300;

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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
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.

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 arrange the Annual General Meeting of shareholder in accordance with the rules and regulation of law or Stock Exchange of Thailand. Company shall send invitation letter, together with attached documentation to all shareholders 7 days prior to the date of meeting. Further, the Company also disclosed the invitation and attachment both Thai and English version in company's website for 30 days in advance to allow the shareholders to study the information before the meeting date. 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 2018 Shareholders' Meeting, 10 out of 11 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.

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.

In 2018, the company has set the CSR working team which derived from the representative from any department of factory and office employees in order that CSR shall be operated practically and clearly.

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.

The company has made the Code of Business Ethics to communicate to employees for enhancing their understanding, thus, could be implemented. Furthermore, the company has made the action plan every year in order to communicate to all department for understanding the joint operation and target.

1.2 Respect for human rights: the Company focuses 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. The important examples of such matters which the company has implemented are as follows:-

- Manage work environment and working system of office and factory efficiently to ensure the employees' safety of life.
- Provide the Provident Fund for employees.
- Not restricting races, colors, genders, religions and nationalities in employment considerations and following laws relating to employment of people with disabilities.
- Set the working regulation to not allow to recruit the probation employees and employees who aged lower than 18 years. Etc.

1.3 Anti-corruption: the company focuses on the anti-corruption. The Company has established the regulation on "Receipt of Money or Any Other Benefits". The employees and the members of their families shall not receive the money or any benefits from any persons, companies which do business with Company, suppliers or customers. It shall be accepted only on cultural or traditional occasions but the value of such money or benefits shall not be higher than general acceptable values rate. In cases where partners are involved in fraudulent activity, the Company reserves the right to suspend the business immediately.

1.4 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

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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.

1.5 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.

1.6 Business conduct with fairness: 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. The important examples of such matters which the company has implemented are as follows:-

- Compliance with the terms agreed with sellers or creditors strictly as according to commitments given in the joint business practices such as deliver the products on time and meeting the quality agreed with customers.
- Encourage the managements and employees to utilize the property and strictly enforce intellectual property right etc.

1.7 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.

1.8 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 2018

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 (CCCCF) twice a year, the safety activity on usage of the machines in the factory or TCC-Safety Activity (Toyota Corporation Club) and TCC-QA Improvement Activity to improve the quality. Furthermore, the Company continuously provided training courses to support safety, such as training on forklift driving, crane, firefighting, chemicals, lead poisoning and guidance to reduce risk from touching lead contamination. In 2018, the Company had 10 accident cases. No one passed away.

10. Corporate Social Responsibility

2.2 Improvement of the community and the society

In 2018, the Company participated in several activities with the community, and supported local organizations' activities.

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



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



3. Giving the presents to Sai-Ngam Village nearby the factory on Mother's Day



4. Arranging the afforestation project at Bangpu Recreation Center



10. Corporate Social Responsibility

5. The Project for regale Disabled at Karunyawet Foundation



6. Arranging the project of cleaning the Seaside Bangpu with the Samutprakarn municipality



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 2018, the Company has performed in many aspects as follows:-

1. Making the new gutter inside the factory which has been continued from the previous year to prevent the waste water from using and producing flowing outside the factory which impacted the people nearby the factory and also to prevent the flood inside the factory in the rainy season.
2. Reduction of paper and printing ink use. The Company has been determined to reduce the purchasing order of paper and support the employees to use the recycled paper, to communicate by e-mail and to scan the document and keep it in the form of electronics. In addition, the Company tried to seek out the way to reduce the usage of printer installed at each department and printing ink which impacted on employees' health by providing the center printer

11. Internal Control and Risk Management

The opinion of the Board of Directors and Audit Committee

The Board of Directors agreed that internal control system is a tool to decrease risks and damages which might occur in working process and the system could make clear working process. Therefore, the Board of Directors assigned Audit Committee to audit the internal control of the Company. In which, Audit Committee has closely reviewed the internal control system, by managing the meeting at least once a month to follow up company's internal control system. Once we receive the report from Financial and Accounting Department and audit report from Internal Audit Department, Audit Committee will consider the information whether there are the facts which might cause damage towards the Company. In the event that some damage might occur, the concerned parties will be summoned to the Board of Directors for giving additional information and countermeasures.

For internal control system of the Company in 2018, Audit Committee had the opinion that our internal control system is sufficient to make any working systems efficient and effective, to make the financial information and report reliable, to have sufficient disclosure as financial standard stated and to follow the related laws and regulations of the Securities and Exchange Commission and Stock Exchange of Thailand. In Board of Directors' meeting 1/2019 on 13th February, 2019, Board of Director and Audit Committee considered and evaluated the efficiency of internal control system of the Company and Subsidiary which both Board of Directors and Audit Committee mutually agreed.

Audit Committee had additional advices as following:

- 1) AC recommended to improve the working procedure to ensure that sales system would have prudence and be able to prevent the fraud of sales representative. Further, the management also established a working team within the company to evaluate and develop the internal control of selling system.
- 2) Due to the economic situation in 2018 that caused the problem in debt repayment ability of some customers of the company, AC is concerned and interested in the matter of credit analysis, credit approval and debt collection. And AC gave advice on analyzing customer data and calculating debt repayment ability to set credit limit that they should be improved to suit for the business nature of the Company.
- 3) As our factory is located in the restricted area of the Town Planning Act and in case that there is a change or improvement of building, the Company will only be able to repair and maintain the building in good condition for using it. And because the management has many construction projects to improve, the AC advise the company to have a Master Plan for the improvement project clearly and study the details of the construction to be in accordance with the law in order to prevent illegal actions.

Moreover, in 2018, the Company has joined the project with "Thailand's Private Sector Collective Action Coalition Against Corruption". The company has submitted the intention letter to formally join and was accepted on March 16, 2018. In 2018, the working team assigned by Chief Executive Officer has continuously reported the progression of the project to the Corporate Governance Committee.

Risk Management

For the risk management in 2018, the company has concerned about the operational risk, so the departments who have been responsible for the important system of the company have evaluated the risk every month. The evaluation report would be collected and reported to the Management Committee's meeting every month by Internal Audit Department assigned by Chief Executive Officer.

AC was recognized that risk management is the important factor running the business. So, AC was interested the risk of the company and monitor the risk management through the internal control system and the performance report of management. AC has the opinion that if the Company set risk Management

11. Internal Control and Risk Management

Committee, the role, duty and the operation of this committee would cover all aspects of the risk in details, especially the application and implementation of the measures against all risks. The risk management would be done more efficiently.

Head of internal audit Department of the company.

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

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

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

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

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
	2017	2018		
- Agreement on borrowing the brand name "Yuasa" Company paid royalty in return for the borrowing. - Company's service expense - Company's accrued expense	37.00 0.71 37.00	37.60 0.65 37.60	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	128.25 2.48 33.52 0.07	218.42 2.10 46.29 0.27	The trading prices were the market's rate.	The transactions were normal; no any trading agreement. A purchase order was made for each purchase. The price was not higher than offered to other customers.

2. Other transactions between Company and its related companies

Company	Type of Transaction	Amount (Million Baht)		Price , Fee and Others	Remark
		2017	2018		
- Yuasa Battery (Malaysia)	- Company sold batteries - Company's accrued income	129.00 20.04	157.75 32.22	The trading prices were the market's rate.	The transactions were normal no any trading agreement.
- Taiwan Yuasa Battery	- Company's income from brokerage - Company's accrued income	2.00 0.41	1.00 0.38	The trading prices were the market's rate.	The transactions were normal no any trading agreement.
- Siam GS Sales Co.,Ltd.	- Company sold batteries - Company's accrued income - Company purchased batteries - Company's accrued expense	5.56 0.92 1.97 -	3.29 - 1.57 0.03	The trading prices were the market's rate.	The transactions were normal no any trading agreement.
- Siam GS Battery Co.,Ltd.	- Company's purchased machine	1.97	-	The trading prices were the market's rate.	The transactions were normal no any trading agreement.
- Siam Battery Shunde Co.,Ltd.	- Company sold batteries - Company's accrued income	1.32 0.21	4.12 1.15	The trading prices were the market's rate.	The transactions were normal no any trading agreement.
- GS battery Taiwan	- Company sold batteries	3.45	1.20	The trading prices were the market's rate.	The transactions were normal no any trading agreement.
- Tianjin Yuasa Batteries Co.,Ltd.	- Company's purchased machine	-	1.15	The trading prices were the market's rate.	The transactions were normal no any trading agreement.

13. Summary of Financial Data

The Company's Operation (Unit: Million Baht)

	Y2014	Y2015	Y2016	Y2017	Y2018
Income from sale	1,668.27	1,754.04	2,082.43	2,327.31	2,396.85
Cost of sales	1,393.54	1,423.59	1,628.54	1,835.57	1,858.09
Gross profit	274.73	330.45	453.89	491.74	538.76
Other incomes	11.53	8.55	4.52	17.95	11.98
Selling and administrative expenses	291.45	287.94	315.02	370.88	391.49
Profit before Finance cost and income tax	(5.20)	51.06	143.40	138.80	159.25
Interest expenses	5.64	4.55	2.47	0.47	0.70
Income tax expense	1.78	(2.57)	(27.20)	(26.88)	(30.35)
Net profit	(9.05)	43.94	113.73	111.46	128.20
Total assets	873.39	894.89	1,065.52	1,163.30	1,226.02
Total liabilities	542.69	519.64	585.26	592.03	552.38
Total shareholders' equity	330.71	375.25	480.26	571.27	673.64

Basic Data Per Share (Unit: Baht per share)

	Y2014	Y2015	Y2016	Y2017	Y2018
Basic earnings per share	(0.08)	0.41	1.06	1.04	1.19
Weight average number of shares (Thousand shares)	107,625	107,625	107,625	107,625	107,625
Ordinary share as of the end of period (Thousand shares)	107,625	107,625	107,625	107,625	107,625
Book value per share	3.07	3.49	4.46	5.31	6.26
Par Value	1.00	1.00	1.00	1.00	1.00
Marketing Price	5.80	6.55	28.25	19.80	9.80
Dividend per share	0.00	0.08	0.08	0.24	-

Financial Ratio

	Y2014	Y2015	Y2016	Y2017	Y2018
Net profit margin (%)	(0.54)	2.49	5.45	4.75	5.32
Return on total assets (%)	(1.01)	4.97	11.60	10.00	10.73
Return on equity (%)	(2.69)	12.45	26.59	21.20	20.60
Dividend payout ratio on profit for the year (%)	N/A	19.59	17.98	23.18	-
Return on revenue from sales (%)	(0.54)	2.50	5.46	4.79	5.35
Debt to equity ratio(Times)	1.64	1.38	1.22	1.04	0.82
Price earnings ratio (Times)	(72.50)	15.97	26.65	19.04	8.24
Average debt collection period (Days)	42	43	42	46	47
Average debt payment period (Days)	82	65	68	61	71

14. Management Discussion and Analysis

Financial Position

Total Assets

The Company and its subsidiary had the total assets of 1,226.02 million baht as of December 31st, 2018, rose by 62.73 million baht or 5.39 percent from year 2017 as the following reasons; 1) increasing of account receivable by 31.49 million baht from the sales rising of domestic and oversea market, 2) increasing of inventories by 29.79 million and 3) increasing of property, plant and equipment at net amount of 36.72 million baht meanwhile 1) decreasing of cash and cash equivalents by 8.78 million baht, 2) decreasing of current investment by 19.88 million baht 3) decreasing of other current assets by 6.02 million baht and 4) decreasing of intangible assets by 1.33 million baht.

For the increasing of property, plant, and equipment, it was derived from investment of building, equipment and machine, and environment in the factory which were implemented from the previous year. Moreover, the total inventory of previous year was increased, mainly derived from the keeping the higher finished goods from last year. However, company keeps the number of inventories at an appropriate level.

Total Liabilities

The Company had the total liabilities of 552.38 million baht as of December 31st, 2018, decreased by 39.65 million baht or 6.70 percent from the previous year as the following reasons; 1) decreasing of trade account payable by 47.69 million baht from the quicker payment for reduction of raw material cost and 2) decreasing of finance leases liabilities by 1.49 million baht while 1) increasing of other current payable by 4.67 million baht from accrued operating expense, 2) increasing of income tax payable by 4.50 million baht and 3) increasing of the reserve of employee's benefits by 0.79 million baht.

Shareholders' Equity

As of December 31st, 2018, the Company had the Shareholders' Equity of 673.64 million baht, rose by 102.37 million baht or 17.92 percent compared with the previous year. The reason came from the net profit of Company in 2018 and dividend payment to the shareholders in 2018.

Cash Flow

At the end of the 2018 accounting period, the Company had net cash flow from operation activities at amount of 81.89 million baht, decreased by 35.10 million baht compared with the previous year. The reasons came from 1) increasing of trade account receivables and other account receivables by 31.20 million baht from sales increasing of replacement market and OEM export market, 2) increasing of inventories by 28.38 million baht from the increasing of finished goods 3) decreasing of trade account payable and other account payable by 41.79 million baht from the higher payment to reduce the finance cost burden, 4) increasing of employee's benefit obligation by 0.79 million baht from the increasing the estimation of employee's benefit obligation and paying the compensation and retirement fund to the employees, and 5) increasing of the net profit at 111.466 million baht from the operation 2017 to 128.20 million baht of year 2018. Finally, cash from the operation was decreased.

For cash from investment activities at amount of 62.32 million baht, it was spent for 1) purchasing the fixed assets and intangible assets at amount of 81.95 million baht, 2) receiving the temporary investment in government bond at amount of 20 million baht and 3) receiving money from sales of intangible assets at amount of 0.96 million baht. However, when comparing with 2017, cash from investment activities was decreased by 11.01 million baht. Even the Company would invest more in buildings and machines to improve the productivities and production in the factory, lower cash from investment activities was not much because we received the cash from selling the temporary investment in government bond.

For cash from financing activities at amount of 28.34 million baht, the Company, made the dividend payment to the shareholders at amount of 25.83 million baht and made the payment of the finance lease liabilities at amount of 2.32 million baht. However, comparing with 2017, cash from financial activities was reduced at amount of 13.83 million baht because in 2018, there is no payment of loan.

14. Management Discussion and Analysis

Business Results

In 2018, the Company and its subsidiary had the total income of 2,396.85 million baht, increased by 69.54 million baht or 2.99 percent from year 2017 from sales increasing of OEM market and export market. The Company got gain from foreign exchange rate at amount of 4.35 million baht from the fluctuation of foreign currency. There was also other income at amount of 7.63 million baht, decreased by 3.32 million baht from year 2017 from having the reverse of provision for legal claims in 2017.

The cost of goods sold; the Company had the cost of goods sold at amount of 1,858.09 million baht or 77.52 percent of total sales. The cost of goods sold was decreased from the previous year by 1.35 percent due to the decreased price of raw materials.

For the pure lead price which was the main raw material of battery production in 2018, it could be summarized as follows:-

For the price of pure lead from London Metal Exchange (LME), it has been fluctuating every year. In 2018, the average price of lead was at USD 2,243/ton, decreased from average price of previous year by USD 73.80/ton or 3.19 percent if considering from the average price of each month, it was found that the price was adjusted to reduce since March 2018 and maintained until June 2018. It was adjusted to continuously decrease again from July to December 2018.

In 2018, the pure lead price was fluctuated from USD 2,589/ton in January to the low level of USD 1,958/ton in December. For the average lead price of Jan-Feb of 2018, it equaled to the average lead price of December 2017 and it started to reduce in March 2018 and to maintain continuously until June 2018 at the average lead price of USD 2,389/ton. And it was adjusted to continuously decrease again from July at the average lead price of USD 2,212/ton to December 2018 at the average lead price of USD 1,958/ton.

For the total selling and administrative expenses in year 2018, it was at amount of 391.49 million baht or 16.33 percent of the total sales income, increased by 20.60 million baht or 5.56 percent from year 2017 due to increasing of excise tax and royalty fee at 12.96 million baht from the sales increasing, and the increasing of sales and administrative expenses at 7.64 million baht due to the provision of doubtful accounts and write off of fixed assets.

In 2018, the interest payment was at amount of 0.70 million baht, increased from the previous year by 0.24 million baht or 50.55 percent.

In conclusion, the Company and its subsidiary had the net comprehensive profit of 128.20 million baht or net profit of 1.19 baht per share in 2018.

Financial Ratio

The ratio of current capital in 2018 was 1.69 times, rose from 1.51 times of the previous year because the current assets increased by 26.59 million baht while the current liabilities decreased by 38.85 million baht only.

The account receivable turnover in 2018 was 7.74 times. The average period of collecting debt was around 47.16 days, increased from the previous year of 43.71 days. The period of debt repayment was around 67.84 days, decreased from the previous year of 69.10 days.

In 2018, the ratio of debt to equity was 0.82 times, decreased from as of 31 December 2017 of 1.04 times, due to the lower liabilities. However, the shareholders' equity increased from the operation 2018.

The gross profit ratio of 2018 was 22.48 percent, increased from year 2017. The main reason was derived from the price of raw materials which was decreased from previous year, and the operation of cost reduction project in the Company.

For dividend payment, according to the Annual General Shareholders' Meeting for year 2018 which was held on April 3rd, 2018, the meeting had the resolution to approve the dividend payment from the performance 2017 to the shareholders at 0.24 baht per share of 107,625,000 shares, totally 25.83 million baht. The dividend was already paid on May 3rd, 2018. And the Board of Directors' Meeting no. 1/2019 which was held on February 13th, 2019 had the resolution to propose the Shareholders' Meeting for year 2019 to pay the dividend to the shareholders from the performance 2018 at 0.30 baht per share of 107,625,000 shares, totally 32.29 million baht.

15. Board of Director's Responsibility for Financial Report

The Board of Directors of YUASA BATTERY (THAILAND) PUBLIC COMPANY LIMITED has prepared the financial statements which disclose the Company's 2018 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, 2018 are credible. Besides, according to our external auditor, the statement reflecting company financial standing, performance, and cash flow are essentially accurate and consistent with generally accepted accounting principles.



Pornchak Manutham
Director of the Board



Ichiro Murata
Director of the Board

Independent Auditor's Report

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

Opinion

I have audited the consolidated and separate financial statements of Yuasa Battery (Thailand) Public Company Limited and its subsidiary (the "Group") and of Yuasa Battery (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matter

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

Valuation of inventories	
Refer to notes 3(f) and 9 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
The Group and the Company had a significant inventory balance which Lead was a main raw material of battery production. Lead price was then a significant factor of the cost of inventories. In the case of the fluctuation of raw material prices according to the market condition, especially when the prices are adjusted to be higher while the battery prices are not changed, this may result that the net realizable value of inventories is lower than their cost. This matter involves management's judgment and, thus, this is a focus area in my audit.	My audit procedures included an understanding of the pricing policy of goods, the inventory management according to the production plan and the policy to measure the net realisable value of inventories. I performed testing the calculation of the net realisable value and comparing, on a sampled basis, the cost of inventories against expected net realisable value (i.e. selling price in the latest invoice less estimated cost to complete and to make the sale). I also considered the adequacy of disclosures in relation to inventory in accordance with TFRSs.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to

16. Financial Statements

continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Sirinuch Vimolsathit)
Certified Public Accountant
Registration No. 8413

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2019

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018	2017
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	142,497,608	151,275,167	93,728,742	112,946,632
Current investment	6	-	19,880,841	-	19,880,841
Trade accounts receivable	4, 7	325,441,236	293,951,808	386,287,221	373,427,513
Other current receivables	4, 8	22,461,583	28,484,157	21,490,301	27,779,403
Inventories	9	321,055,123	291,269,199	308,468,548	278,968,346
Total current assets		811,455,550	784,861,172	809,974,812	813,002,735
Non-current assets					
Investment in subsidiary	10	-	-	-	-
Investment properties	11	2,447,072	2,542,607	92,000	92,000
Property, plant and equipment	12	396,100,373	359,377,150	395,508,289	358,713,896
Intangible assets		3,903,488	5,228,768	3,033,415	3,652,277
Deferred tax assets	13	11,183,399	10,267,089	7,594,710	6,747,980
Other non-current assets		934,906	1,021,446	351,850	342,250
Total non-current assets		414,569,238	378,437,060	406,580,264	369,548,403
Total assets		1,226,024,788	1,163,298,232	1,216,555,076	1,182,551,138

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

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary Statement of financial position

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018 <i>(in Baht)</i>	2017
Current liabilities					
Trade accounts payable	4, 15	338,255,399	385,946,686	338,221,212	385,946,686
Other current payables	4, 16	125,451,500	120,781,082	81,471,592	81,586,370
Current portion of finance lease liabilities	14	1,492,876	1,813,593	1,492,876	1,813,593
Income tax payable		16,365,352	11,870,202	13,083,184	11,866,589
Total current liabilities		481,565,127	520,411,563	434,268,864	481,213,238
Non-current liabilities					
Finance lease liabilities	14	3,632,754	5,125,630	3,632,754	5,125,630
Provision for employee benefits	17	66,600,922	65,811,728	54,823,620	55,162,479
Other non-current liability		583,056	679,196	-	-
Total non-current liabilities		70,816,732	71,616,554	58,456,374	60,288,109
Total liabilities		552,381,859	592,028,117	492,725,238	541,501,347
Shareholders' equity					
Share capital:	18				
Authorised share capital		107,625,000	107,625,000	107,625,000	107,625,000
Issued and paid-up share capital		107,625,000	107,625,000	107,625,000	107,625,000
Share premium					
Share premium on ordinary shares	18	171,075,000	171,075,000	171,075,000	171,075,000
Retained earnings					
Appropriated					
Legal reserve	19	26,906,250	26,906,250	26,906,250	26,906,250
Unappropriated		368,036,679	265,663,865	418,223,588	335,443,541
Total shareholders' equity		673,642,929	571,270,115	723,829,838	641,049,791
Total liabilities and shareholders' equity		1,226,024,788	1,163,298,232	1,216,555,076	1,182,551,138

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

16. Financial Statements



Yuasa Battery (Thailand) Public Company

**Yuasa Battery (Thailand) Public Company Limited and its
Subsidiary
Statement of comprehensive income**

	Note	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
		2018	2017	2018	2017
		<i>(in Baht)</i>			
Revenue from sale of goods	4, 20	2,396,851,720	2,327,307,922	2,317,511,490	2,274,788,277
Cost of sale of goods	4, 9, 22	(1,858,092,473)	1,835,569,297)	(1,863,260,709)	(1,841,803,455)
Gross profit	20	538,759,247	491,738,625	454,250,781	432,984,822
Net gain on foreign exchange and derivatives		4,348,901	6,990,804	4,348,901	6,990,804
Other income	4	7,634,084	10,954,675	9,044,501	12,257,134
Distribution costs	4, 22	(303,910,767)	(291,094,840)	(263,980,077)	(248,441,000)
Administrative expenses	4, 22	(87,574,999)	(79,786,921)	(68,665,820)	(65,433,332)
Finance costs		(701,177)	(465,733)	(701,177)	(465,733)
Profit before income tax		158,555,289	138,336,610	134,297,109	137,892,695
Income tax expense	23	(30,352,955)	(26,876,605)	(25,687,542)	(26,738,078)
Profit for the year and other comprehensive income		128,202,334	111,460,005	108,609,567	111,154,617
Profit attributable to:					
Owners of the parent		128,202,334	111,460,005	108,609,567	111,154,617
Non-controlling interests		-	-	-	-
Profit for the year		128,202,334	111,460,005	108,609,567	111,154,617
Total comprehensive income attributable to:					
Owners of the parent		128,202,334	111,460,005	108,609,567	111,154,617
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		128,202,334	111,460,005	108,609,567	111,154,617
Basic earnings per share	24	1.19	1.04	1.01	1.03

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

16. Financial Statements



Yuasa Battery (Thailand) Public Company

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary Statement of changes in equity

	Note	Consolidated financial statements				Total shareholders' equity
		Issued and paid share capital	Share premium	Retained earnings	Unappropriated	
				Legal reserve (in Baht)		
Year ended 31 December 2017						
Balance at 1 January 2017		107,625,000	171,075,000	26,906,250	174,651,850	480,258,100
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends	25	-	-	-	(20,447,990)	(20,447,990)
<i>Total distributions to owners of the Company</i>		-	-	-	(20,447,990)	(20,447,990)
Comprehensive income for the year						
Profit		-	-	-	111,460,005	111,460,005
Total comprehensive income for the year		-	-	-	111,460,005	111,460,005
Balance at 31 December 2017		107,625,000	171,075,000	26,906,250	265,663,865	571,270,115

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

16. Financial Statements



Yuasa Battery (Thailand) Public Company

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary Statement of changes in equity

	Note	Consolidated financial statements				Total shareholders' equity
		Issued and paid share capital	Share premium	Retained earnings Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2018						
Balance at 1 January 2018		107,625,000	171,075,000	26,906,250	265,663,865	571,270,115
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends	25	-	-	-	(25,829,520)	(25,829,520)
Total distributions to owners of the Company		-	-	-	(25,829,520)	(25,829,520)
Comprehensive income for the year						
Profit		-	-	-	128,202,334	128,202,334
Total comprehensive income for the year		-	-	-	128,202,334	128,202,334
Balance at 31 December 2018		107,625,000	171,075,000	26,906,250	368,036,679	673,642,929

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

16. Financial Statements



Yuasa Battery (Thailand) Public Company

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary Statement of changes in equity

	Note	Issued and paid share capital	Share premium	Seperate financial statements		Total shareholders' equity
				Retained earnings		
				Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2017						
Balance at 1 January 2017		107,625,000	171,075,000	26,906,250	244,736,914	550,343,164
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends	25	-	-	-	(20,447,990)	(20,447,990)
Total distributions to owners of the Company		-	-	-	(20,447,990)	(20,447,990)
Comprehensive income for the year						
Profit		-	-	-	111,154,617	111,154,617
Total comprehensive income for the year		-	-	-	111,154,617	111,154,617
Balance at 31 December 2017		107,625,000	171,075,000	26,906,250	335,443,541	641,049,791

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

16. Financial Statements



Yuasa Battery (Thailand) Public Company

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary Statement of changes in equity

	Note	Seperate financial statements				Total shareholders' equity
		Issued and paid share capital	Share premium	Retained earnings Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2018						
Balance at 1 January 2018		107,625,000	171,075,000	26,906,250	335,443,541	641,049,791
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends	25	-	-	-	(25,829,520)	(25,829,520)
Total distributions to owners of the Company		-	-	-	(25,829,520)	(25,829,520)
Comprehensive income for the year						
Profit		-	-	-	108,609,567	108,609,567
Total comprehensive income for the year		-	-	-	108,609,567	108,609,567
Balance at 31 December 2018		107,625,000	171,075,000	26,906,250	418,223,588	723,829,838

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

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2018	2017	2018	2017
	(in Baht)			
Cash flows from operating activities				
Profit for the year	128,202,334	111,460,005	108,609,567	111,154,617
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Income tax expense	30,352,955	26,876,605	25,687,542	26,738,078
Finance costs	701,177	465,733	701,177	465,733
Depreciation and amortisation	44,402,665	40,353,083	43,251,728	39,224,146
Impairment losses on investment properties	-	50,000	-	-
Provision for employee benefits	8,227,051	7,400,959	7,098,997	6,055,954
Unrealised loss on exchange rate and derivatives	414,441	100,730	414,441	100,730
Bad and doubtful debts expenses (reversal of)	4,662,302	(629,353)	-	(191,517)
Losses on inventories devaluation (reversal of)	(1,409,091)	767,341	(2,041,348)	200,914
Gain on disposal of property, plant and equipment	(27,583)	(277,586)	(27,583)	(158,586)
Write-off of plant and equipment and intangible assets	2,448,140	25	2,448,140	25
Interest income	(494,875)	(93,354)	(494,875)	(93,354)
	<u>217,479,516</u>	<u>186,474,188</u>	<u>185,647,786</u>	<u>183,496,740</u>
Changes in operating assets and liabilities				
Trade accounts receivable	(34,252,805)	(29,983,382)	(13,925,007)	(18,066,451)
Other current receivables	3,053,299	(16,109,884)	6,284,051	(15,642,139)
Inventories	(28,376,833)	(16,170,911)	(27,458,854)	(20,330,187)
Other non-current assets	86,540	5,816,380	(9,600)	5,846,010
Trade accounts payable	(47,040,005)	30,287,499	(47,074,192)	30,287,499
Other current payables	5,250,332	(8,505,910)	581,126	(16,044,253)
Employee benefit paid	(7,437,857)	(2,928,687)	(7,437,857)	(2,903,887)
Other non-current liability	(96,140)	29,630	-	-
Net cash generated from operating	<u>108,666,047</u>	<u>48,908,923</u>	<u>96,607,453</u>	<u>146,643,332</u>
Income tax paid	<u>(26,774,115)</u>	<u>(31,914,267)</u>	<u>(25,317,677)</u>	<u>(29,462,849)</u>
Net cash flows from operating activities	<u>81,891,932</u>	<u>116,994,656</u>	<u>71,289,776</u>	<u>117,180,483</u>

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

16. Financial Statements

Yuasa Battery (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Disposal (acquisition) of current investment	20,000,000	(19,787,487)	20,000,000	(19,787,487)
Acquisition of property, plant and equipment	(81,945,768)	(52,993,789)	(81,838,195)	(52,691,030)
Proceeds from sale of property, plant and equipment	208,051	349,627	208,051	230,577
Acquisition of intangible assets	(961,354)	(906,356)	(907,102)	(767,176)
Interest received	375,716	-	375,716	-
Net cash flows used in investing activities	(62,323,355)	(73,338,005)	(62,161,530)	(73,015,116)
<i>Cash flows from financing activities</i>				
Interest paid	(195,470)	(101,716)	(195,470)	(101,716)
Dividend paid	25,829,520)	(20,447,990)	25,829,520)	20,447,990)
Repayment of borrowings	-	(20,000,000)	-	(20,000,000)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(2,319,300)	(1,621,990)	(2,319,300)	(1,621,990)
Total cash flows used in financing activities	(28,344,290)	(42,171,696)	(28,344,290)	(42,171,696)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(8,775,713)	1,484,955	(19,216,044)	1,993,671
Effect of exchange rate changes on cash and cash equivalents	(1,846)	(43,688)	(1,846)	(43,688)
Net increase (decrease) in cash and cash equivalents	(8,777,559)	1,441,267	(19,217,890)	1,949,983
Cash and cash equivalents at beginning of period	151,275,167	149,833,900	112,946,632	110,996,649
Cash and cash equivalents at ending of period	142,497,608	151,275,167	93,728,742	112,946,632
<i>Non-cash transactions</i>				
Payables for acquisition of property, plant and equipment	6,410,259	6,810,147	6,343,919	6,810,147
Payables for acquisition of intangible assets	88,489	262,043	38,841	262,043
Equipment acquired by way of finance lease	-	4,583,776	-	4,583,776

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

Note	Contents
1	General information
2	Basis of preparation of the financial statements
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 13 February 2019.

1 General information

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

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

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

The principal activities of the Company and its subsidiary (“the Group”) are the manufacturing and distributing of batteries for automobiles and motorcycles.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

The FAP has issued the new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRSs has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRSs, the FAP has issued a number of new and revised TFRSs which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRSs that are relevant to the Group’s operations are disclosed in note 30.

(b) Basis of measurement

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

Items	Measurement bases
Derivatives	Fair value
Defined benefit liabilities	Present value of the defined benefit obligation, as explained in note 3 (n)

(c) Functional and presentation currency

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

(d) Use of judgements and estimates

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

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

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following note:

Note 17 Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

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

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

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

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

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

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

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

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

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

Note 11 - investment properties; and
Note 26 - financial instruments

3 Significant accounting policies

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

(a) Basis of consolidation

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

Subsidiaries

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

Loss of control

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

Transactions eliminated on consolidation

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

(b) Foreign currency transactions

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

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

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

Foreign currency differences arising from the translation are recognised in profit or loss.

(c) Derivatives

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

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

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

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

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

(g) Investments

Investments in subsidiary

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

Investments in other debt securities

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

Disposal of investments

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

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

(h) Investment properties

Investment properties are properties which are held to earn rental income or for capital appreciation, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

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

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

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

(i) Property, plant and equipment

Recognition and measurement

Owned assets

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

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

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

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Leased assets

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

Subsequent costs

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

Depreciation

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

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

Building and constructions	33	years
Machinery and equipment	10 - 15	years
Furniture, fixtures and office equipment	3 and 5	years
Vehicles	5	years

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

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

(j) Intangible assets

Computer software

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

Subsequent expenditure

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

Amortisation

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

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

Computer software	5	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

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

Reversals of impairment

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

the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

Short-term employee benefits

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

(o) Provisions

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

Warranties

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

(p) Revenue

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

Sale of goods

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

Rental income

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

Dividend income

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

Interest and other income

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

(q) Finance costs

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

(r) Lease payments

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

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

Determining whether an arrangement contains a lease

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

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

(s) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings per share

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

(u) Segment reporting

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

4 Related parties

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

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

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

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

Transactions	Pricing policies
Revenue from sale of goods	Market price
Commission income	At agreed price
Rental and service income	Contract price
Service income	At agreed price
Purchase of raw materials and goods	Market price
Purchase of machinery and equipment	At agreed price
Royalty fee	Contract price
Dividends paid	As announced

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiary				
Revenue from sale of goods	-	-	920,629	943,755
Rental and service income	-	-	1,367	1,367
Service income	-	-	911	662
Other related parties				
Revenue from sale of goods	168,466	141,810	168,466	141,810
Purchase of raw materials and goods	219,989	130,215	218,423	128,249
Purchase of machinery and equipment	1,151	1,968	1,151	1,968
Commission income	997	2,001	997	2,001
Royalty fee	37,604	36,995	37,604	36,995
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	29,464	28,236	24,181	23,633
Post-employment benefits	1,384	1,290	798	724
Total key management personnel compensation	30,848	29,526	24,979	24,357

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

Trade accounts receivable - related parties	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiary				
Yuasa Sales and Distribution Co., Ltd.	-	-	223,676	229,599
Other related parties				
Yuasa Battery (Malaysia) Sdn Bhd.	32,223	20,042	32,223	20,042
Siam GS Sales Co., Ltd.	-	916	-	916
Yuasa Battery (Shunde) Co., Ltd.	1,150	214	1,150	214
GS Yuasa International Ltd.	268	73	268	73
Total	33,641	21,245	257,317	250,844



Other current receivables - related parties	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiary				
Yuasa Sales and Distribution Co., Ltd.	-	-	490	288
Other related party				
Taiwan Yuasa Battery Co., Ltd.	383	410	383	410
Total	383	410	873	698
Trade accounts payable - related parties	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other related parties				
GS Yuasa International Ltd.	45,983	33,517	45,983	33,517
Siam GS Sales Co., Ltd.	34	-	-	-
Total	46,017	33,517	45,983	33,517
Other current payables - related party	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Payable for fixed assets purchased				
Other related party				
GS Yuasa International Ltd.	305	-	305	-
Accrued royalty fee				
Other related party				
GS Yuasa International Ltd.	37,604	36,995	37,604	36,995
Total	37,909	36,995	37,909	36,995

Significant agreements with related parties

Technical Assistance Agreements

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

Rental Agreement

On 7 December 2018, the Company entered into a rental agreement with Yuasa Sales and Distribution Co., Ltd. covering its office premises, warehouse space and related facilities with the rental and service income as specified in the agreement. The agreement is for a period of 2 years and shall be renewed on an annual basis.

5 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	155	78	49	18
Cash at banks - current accounts	41	41	3	3
Cash at banks - savings accounts	142,290	150,785	93,677	112,926
Cheques on hand	12	371	-	-
Total	142,498	151,275	93,729	112,947

6 Current investment

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

7 Trade accounts receivable

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	4	33,641	21,245	257,317	250,844
Other parties		294,576	278,925	129,116	122,730
Total		328,217	300,170	386,433	373,574
Less allowance for doubtful accounts		(2,776)	(6,218)	(146)	(146)
Net		325,441	293,952	386,287	373,428
Bad and doubtful debts expense (reversal of) for the year		1,698	(629)	-	(192)

Aging analyses for trade accounts receivable were as follows:

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties					
Within credit terms		28,475	21,172	252,151	250,771
Overdue:					
Less than 3 months		5,149	73	5,149	73
3-6 months		17	-	17	-
		33,641	21,245	257,317	250,844
Other parties					
Within credit terms		239,847	236,025	106,599	114,185
Overdue:					
Less than 3 months		49,923	33,752	22,371	8,399
6-12 months		1,387	-	-	-
Over 12 months		3,419	9,148	146	146
		294,576	278,925	129,116	122,730
Less allowance for doubtful accounts		(2,776)	(6,218)	(146)	(146)
		291,800	272,707	128,970	122,584
Net		325,441	293,952	386,287	373,428

The normal credit term granted by the Group ranges from 30 days to 100 days.

8 Other current receivable

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	4	383	410	873	698
Other parties		22,095	28,074	20,617	27,081
Total		22,478	28,484	21,490	27,779
Less allowance for doubtful accounts		(16)	-	-	-
Net		22,462	28,484	21,490	27,779
Bad and doubtful debts expense for the year		2,964	-	-	-

9 Inventories

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Finished goods		106,717	68,571	92,424	55,254
Work in progress		58,955	46,605	58,955	46,605
Semi-raw materials		35,307	50,655	35,307	50,655
Raw materials		89,665	97,009	89,665	97,009
Factory supplies		23,693	24,563	23,679	24,490
Goods in transit		9,792	8,349	9,792	8,349
Total		324,129	295,752	309,822	282,362
Less allowance for decline in value		(3,074)	(4,483)	(1,353)	(3,394)
Net		321,055	291,269	308,469	278,968
Inventories recognised as an expense in cost of sales of goods					
- Cost		1,859,501	1,834,802	1,865,302	1,841,602
- Write-down to net realisable value (reversal of)		(1,409)	767	(2,041)	201
Total		1,858,092	1,835,569	1,863,261	1,841,803

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10 Investment in subsidiary

Investment in subsidiary as at 31 December 2018 and 2017, and dividend income from this investment for the years then ended, were as follows:

		Separate financial statements											
	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		(%)											
		(in thousand Baht)											
Subsidiary													
Yuasa Sales and Distribution Co., Ltd.	Distribution of battery	99.99	99.99	1,000	1,000	1,000	1,000	(1,000)	(1,000)	-	-	-	-
Total						1,000	1,000	(1,000)	(1,000)	-	-	-	-

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

11 Investment properties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	4,281	4,281	92	92
At 31 December	4,281	4,281	92	92
Depreciation				
At 1 January	1,738	1,593	-	-
Depreciation charge for the year	96	95	-	-
Impairment losses	-	50	-	-
At 31 December	1,834	1,738	-	-
Net book value				
At 1 January	2,543	2,688	92	92
At 31 December	2,447	2,543	92	92

The fair value of investment properties as at 31 December 2018 of Baht 28.2 million (2017: Baht 28.2 million) was determined by independent professional valuers, at open market values on an existing use basis. The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Subsequently on 14 January 2019, a subsidiary entered into the Purchase and Sales Agreements with third parties to sell some of a subsidiary's investment properties which the agreed price is higher than a net book value as at 31 December 2018.

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12 Property, plant and equipment

	Consolidated financial statements						Total
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
Cost							
At 1 January 2017	27,790	126,931	781,554	48,473	4,360	26,972	1,016,080
Additions	-	474	11,847	5,620	4,584	35,902	58,427
Transfers	-	16,305	35,608	435	-	(52,348)	-
Disposals	-	(21)	(4,827)	(938)	(602)	-	(6,388)
At 31 December 2017 and 1 January 2018	27,790	143,689	824,182	53,590	8,342	10,526	1,068,119
Additions	-	1,371	10,586	6,729	-	62,860	81,546
Transfers	-	15,966	26,527	1,650	-	(44,143)	-
Disposals	-	(3,705)	(5,617)	(1,418)	(724)	-	(11,464)
At 31 December 2018	27,790	157,321	855,678	60,551	7,618	29,243	1,138,201
Depreciation							
At 1 January 2017	-	46,447	594,062	34,572	1,736	-	676,817
Depreciation charge for the year	-	3,442	29,003	4,850	947	-	38,242
Disposals	-	(8)	(4,769)	(938)	(602)	-	(6,317)
At 31 December 2017 and 1 January 2018	-	49,881	618,296	38,484	2,081	-	708,742
Depreciation charge for the year	-	3,963	31,211	5,503	1,517	-	42,194
Disposals	-	(1,257)	(5,436)	(1,418)	(724)	-	(8,835)
At 31 December 2018	-	52,587	644,071	42,569	2,874	-	742,101

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Consolidated financial statements							
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Net book value							
At 1 January 2017							
Owned assets	27,790	80,484	186,322	13,901	-	26,972	335,469
Assets under finance leases	-	-	1,170	-	2,624	-	3,794
	27,790	80,484	187,492	13,901	2,624	26,972	339,263
At 31 December 2017 and 1 January 2018							
Owned assets	27,790	93,808	204,851	15,106	-	10,526	352,081
Assets under finance leases	-	-	1,035	-	6,261	-	7,296
	27,790	93,808	205,886	15,106	6,261	10,526	359,377
At 31 December 2018							
Owned assets	27,790	104,734	211,607	17,982	-	29,243	391,356
Assets under finance leases	-	-	-	-	4,744	-	4,744
	27,790	104,734	211,607	17,982	4,744	29,243	396,100

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	Separate financial statements						Total
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
Cost							
At 1 January 2017	27,790	126,931	781,554	44,664	3,759	26,900	1,011,598
Additions	-	473	11,847	5,318	4,584	35,902	58,124
Transfers	-	16,305	35,608	363	-	(52,276)	-
Disposals	-	(21)	(4,827)	(562)	-	-	(5,410)
At 31 December 2017 and 1 January 2018	27,790	143,688	824,182	49,783	8,343	10,526	1,064,312
Additions	-	1,371	10,586	6,555	-	62,860	81,372
Transfers	-	15,966	26,527	1,650	-	(44,143)	-
Disposals	-	(3,704)	(5,617)	(1,418)	(725)	-	(11,464)
At 31 December 2018	27,790	157,321	855,678	56,570	7,618	29,243	1,134,220
Depreciation							
At 1 January 2017	-	46,447	594,062	31,278	1,135	-	672,922
Depreciation charge for the year	-	3,442	29,003	4,623	947	-	38,015
Disposals	-	(8)	(4,769)	(562)	-	-	(5,339)
At 31 December 2017 and 1 January 2018	-	49,881	618,296	35,339	2,082	-	705,598
Depreciation charge for the year	-	3,963	31,211	5,258	1,517	-	41,949
Disposals	-	(1,257)	(5,436)	(1,418)	(724)	-	(8,835)
At 31 December 2018	-	52,587	644,071	39,179	2,875	-	738,712

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	Separate financial statements						Total
	Land	Building and constructions	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
Net book value							
At 1 January 2017							
Owned assets	27,790	80,484	186,322	13,386	-	26,900	334,882
Assets under finance leases	-	-	1,170	-	2,624	-	3,794
	27,790	80,484	187,492	13,386	2,624	26,900	338,676
At 31 December 2017 and 1 January 2018							
Owned assets	27,790	93,807	204,851	14,444	-	10,526	351,418
Assets under finance leases	-	-	1,035	-	6,261	-	7,296
	27,790	93,807	205,886	14,444	6,261	10,526	358,714
At 31 December 2018							
Owned assets	27,790	104,734	211,607	17,391	-	29,243	390,765
Assets under finance leases	-	-	-	-	4,743	-	4,743
	27,790	104,734	211,607	17,391	4,743	29,243	395,508

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2018 amounted to Baht 471 million and Baht 468.4 million, respectively (2017: Baht 434.4 million and Baht 431.8 million, respectively).

Security

As at 31 December 2018, the Group's and the Company's land and constructions thereon with a net book value of Baht 30 million (2017: Baht 30 million) have been mortgaged as collateral for some facilities amounted to Baht 137.5 million (2017: Baht 137.5 million) obtained from a financial institution (see note 14).

13 Deferred tax

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

Consolidated financial statements				
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Total	15,023	15,472	(3,840)	(5,205)
Set off of tax	(3,840)	(5,205)	3,840	5,205
Net deferred tax assets	11,183	10,267	-	-

Separate financial statements				
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Total	11,435	11,953	(3,840)	(5,205)
Set off of tax	(3,840)	(5,205)	3,840	5,205
Net deferred tax assets	7,595	6,748	-	-

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

Consolidated financial statements				
	(Charged) / credited to:			
	At 1 January 2018	Profit or loss	Other comprehensive income	At 31 December 2018
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Allowance for doubtful accounts	1,136	(611)	-	525
Allowance for decline in value	897	(282)	-	615
Provision for employee benefits	13,156	170	-	13,326
Derivatives	42	(42)	-	-
Others	241	316	-	557
Total	15,472	(449)	-	15,023
Deferred tax liabilities				
Depreciation gap	(5,134)	1,397	-	(3,737)
Finance leases	(71)	(32)	-	(103)
Total	(5,205)	1,365	-	(3,840)
Net	10,267	916	-	11,183

Consolidated financial statements

	At 1 January 2017	(Charged) / credited to:		At 31 December 2017
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Allowance for doubtful accounts	1,317	(181)	-	1,136
Allowance for decline in value	743	154	-	897
Provision for employee benefits	12,268	888	-	13,156
Provision for legal claims	487	(487)	-	-
Derivatives	489	(447)	-	42
Others	486	(245)	-	241
Total	15,790	(318)	-	15,472
Deferred tax liabilities				
Depreciation gap	(6,596)	1,462	-	(5,134)
Finance leases	(40)	(31)	-	(71)
Total	(6,636)	1,431	-	(5,205)
Net	9,154	1,113	-	10,267

	At 1 January 2018	(Charged) / credited to:		At 31 December 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Allowance for decline in value	679	(408)	-	271
Investment in subsidiary	200	-	-	200
Provision for employee benefits	11,032	(68)	-	10,964
Derivatives	42	(42)	-	-
Total	11,953	(518)	-	11,435
Deferred tax liabilities				
Depreciation gap	(5,134)	1,397	-	(3,737)
Finance leases	(71)	(32)	-	(103)
Total	(5,205)	1,365	-	(3,840)
Net	6,748	847	-	7,595

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

14 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Current				
Current portion of finance lease liabilities	1,493	1,814	1,493	1,814
Non-current				
Finance lease liabilities	3,633	5,126	3,633	5,126
Total interest-bearing liabilities	5,126	6,940	5,126	6,940

As at 31 December 2018, the Company had unutilised facilities with certain financial institutions totalling Baht 745.4 million (2017: Baht 712.8 million), which some facilities from a financial institution of Baht 131.2 million (2017: Baht 131.2 million) were mortgaged by land and constructions thereon (see note 12).

As at 31 December 2018, a subsidiary had unutilised facilities with a financial institution of Baht 5 million (2017: Baht 5 million) which was guaranteed by the parent company.

Finance lease liabilities

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

	Consolidated financial statements/ Separate financial statements					
	2018			2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,877	(384)	1,493	2,319	(505)	1,814
After one year but within five years	4,021	(388)	3,633	5,898	(772)	5,126
Total	5,898	(772)	5,126	8,217	(1,277)	6,940

The Company entered into finance lease contracts covering its equipment and vehicles. These contracts are for periods of 3 and 5 years which will expire in various dates in 2021 to 2022. Under the terms of the contracts, the Company must comply with certain conditions covering the leased assets.

15 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	4	46,017	33,517	45,983	33,517
Other parties		292,238	352,430	292,238	352,430
Total		338,255	385,947	338,221	385,947

16 Other current payables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related party	4	37,909	36,995	37,909	36,995
Other parties					
Accrued operating expenses		72,581	66,500	31,126	29,830
Payable for fixed assets purchased		6,194	7,072	6,078	7,072
Payable for the Revenue Department		6,265	5,322	4,896	3,726
Others		2,503	4,892	1,463	3,963
Total		125,452	120,781	81,472	81,586

17 Provision for employee benefits

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Statement of financial position				
Provision for:				
Post-employment benefits	65,322	64,649	53,630	54,066
Other long-term employee benefits	1,279	1,163	1,194	1,096
Total	66,601	65,812	54,824	55,162

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	7,967	7,140	6,857	5,810
Other long-term employee benefits	260	261	243	246
Total	8,227	7,401	7,100	6,056

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Recognised in other comprehensive income:				
Cumulative actuarial gains (losses) recognised	596	596	(556)	(556)

Defined benefit plan

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

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

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(%)</i>			
Discount rate	3.02 and 3.18	3.02 and 3.18	3.18	3.18
Future salary growth	5.00	5.00	5.00	5.00
Employee turnover	0 - 17	0 - 17	0 - 17	0 - 17

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

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 14.73 years (2017: 14.73 years).

Sensitivity analysis

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

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
At 31 December 2018	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(7,320)	8,522	(6,112)	7,122
Future salary growth (1% movement)	7,294	(6,359)	5,986	(5,207)
Employee turnover (1% movement)	(6,168)	2,424	(5,433)	2,115

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
At 31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(6,420)	7,501	(5,299)	6,194
Future salary growth (1% movement)	6,253	(5,423)	5,038	(4,359)
Employee turnover (1% movement)	(5,351)	2,246	(4,659)	1,939

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

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognized during that period in the consolidated and the separate financial statements is estimated to increase by an amount of approximately Baht 9.4 million and Baht 7.8 million, respectively.

18 Share capital

	Par value per share <i>(in Baht)</i>	2018		2017	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	107,625	107,625	107,625	107,625
At 31 December					
- ordinary shares	1	<u>107,625</u>	<u>107,625</u>	<u>107,625</u>	<u>107,625</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	107,625	107,625	107,625	107,625
At 31 December					
- ordinary shares	1	<u>107,625</u>	<u>107,625</u>	<u>107,625</u>	<u>107,625</u>

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

Share premium

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

19 Legal reserve

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

20 Segment information

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

	Original Equipment Market (OEM)		Replacement Equipment Market (REM)		Export market		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>									
External revenue	722,843	708,855	999,969	996,275	630,163	589,566	43,877	32,612	2,396,852	2,327,308
Internal revenue	-	-	920,490	943,292	-	-	139	463	920,629	943,755
Total revenue	722,843	708,855	1,920,459	1,939,567	630,163	589,566	44,016	33,075	3,317,481	3,271,063
Elimination of internal revenue	-	-	(920,490)	(943,292)	-	-	(139)	(463)	(920,629)	(943,755)
Consolidated revenue	722,843	708,855	999,969	996,275	630,163	589,566	43,877	32,612	2,396,852	2,327,308
Cost of sales	(545,764)	(549,881)	(764,501)	(758,115)	(511,825)	(504,607)	(36,003)	(22,966)	(1,858,093)	(1,835,569)
Consolidated gross profit	177,079	158,974	235,468	238,160	118,338	84,959	7,874	9,646	538,759	491,739

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Geographical segments

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

Geographical information

	Revenues	
	2018	2017
	<i>(in thousand Baht)</i>	
Thailand	1,767,044	1,740,615
Other countries	629,808	586,693
Total	2,396,852	2,327,308

Major customer

Revenues from a customer of the Group's segments represents approximately Baht 452.2 million (2017: Baht 452.2 million) of the Group's total revenues.

21 Employee benefit expenses

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Salaries, wages and bonus		272,502	266,536	251,776	244,683
Defined benefit plans	17	8,227	7,401	7,100	6,056
Defined contribution plans		3,079	3,077	2,741	2,710
Director's remuneration		5,969	7,503	5,969	7,503
Others		24,878	25,015	22,381	22,349
Total		314,655	309,532	289,967	283,301

Defined contribution plans

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

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22 Expenses by nature

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

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Included in cost of sales of goods:					
Changes in inventories of finished good and work in progress	9	(35,148)	(4,263)	(34,172)	(8,422)
Raw material and consumables used		1,323,948	1,334,782	1,323,948	1,334,782
Purchase of finished goods		110,261	104,930	107,784	102,965
Scrap sales		(70,834)	(111,026)	(63,532)	(98,100)
Employee benefit expenses	21	233,501	227,718	233,501	227,718
Utilities expenses		67,192	66,231	67,192	66,231
Outsourcing costs		46,727	51,582	46,727	51,582
Depreciation and amortisation		38,249	34,919	38,249	34,919
Repair and maintenance expenses		36,416	33,049	36,416	33,049
Others		107,780	97,647	107,148	97,079
Total		1,858,092	1,835,569	1,863,261	1,841,803
Included in distribution costs:					
Excise tax		189,439	177,088	189,439	177,088
Royalty fee	4	37,604	36,995	37,604	36,995
Transportation expenses		23,593	23,575	12,477	13,389
Advertising		13,535	11,774	12,363	7,279
Employee benefit expenses	21	24,404	25,846	9,366	9,616
Others		15,336	15,817	2,731	4,074
Total		303,911	291,095	263,980	248,441
Included in administrative expenses:					
Employee benefit expenses	21	56,750	55,968	47,100	45,967
Depreciation and amortisation		6,051	5,347	4,900	4,218
Bad and doubtful debt expense (reversal of)	7, 8	4,662	(629)	-	(192)
Professional fees		4,351	4,693	3,866	4,256
Rental expenses		1,577	2,030	1,569	2,030
Others		14,184	12,378	11,231	9,154
Total		87,575	79,787	68,666	65,433

23 Income tax

Income tax recognised in profit of loss

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Current tax expense					
Current year		32,064	28,089	27,330	27,966
Adjustment for prior years		(795)	(99)	(795)	(99)
		<u>31,269</u>	<u>27,990</u>	<u>26,535</u>	<u>27,867</u>
Deferred tax expense					
Movements in temporary differences	13	(916)	(1,113)	(847)	(1,129)
Total income tax expense		<u>30,353</u>	<u>26,877</u>	<u>25,688</u>	<u>26,738</u>

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		158,555		138,337
Income tax using the Thai corporation tax rate	20	31,711	20	27,667
Expense additionally deductible for tax purpose		(1,125)		(1,231)
Over-provided in prior year		(795)		(99)
Others		562		540
Total	19	30,353	19	26,877

	Separate financial statements			
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		134,297		137,893
Income tax using the Thai corporation tax rate	20	26,859	20	27,578
Expense additionally deductible for tax purpose		(1,095)		(1,211)
Over-provided in prior year		(795)		(99)
Others		719		470
Total	19	25,688	19	26,738

24 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	128,202	111,460	108,610	111,155
Number of ordinary shares outstanding	107,625	107,625	107,625	107,625
Earnings per share (basic) (in Baht)	1.19	1.04	1.01	1.03

25 Dividends

At the annual general meeting of the shareholders of the Company held on 3 April 2018, the shareholders approved the appropriation of dividend of Baht 0.24 per share, amounting to Baht 25.83 million. The dividend was paid to shareholders during May 2018.

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

26 Financial instruments

Financial risk management policies

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

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

Capital management

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

Foreign currency risk

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

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	73	575	73	575
Trade accounts receivable	81,425	58,195	81,425	58,195
Other current receivables	78	410	78	410
Trade accounts payable	(55,333)	(44,746)	(55,333)	(44,746)
Other current payables	(2,077)	(445)	(2,077)	(445)
Gross statement of financial position exposure	24,166	13,989	24,166	13,989
Currency forwards purchase	-	32,555	-	32,555
Net exposure	24,166	46,544	24,166	46,544
<i>Japanese Yen</i>				
Trade accounts payable	(7,403)	(7,541)	(7,403)	(7,541)
Other current payables	(305)	-	(305)	-
Net exposure	(7,708)	(7,541)	(7,708)	(7,541)
<i>Pound Sterling</i>				
Trade accounts payable	(191)	-	(191)	-
Net exposure	(191)	-	(191)	-

Credit risk

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection in excess of amount which an allowance for doubtful accounts was already provided.

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Liquidity risk

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

Carrying amount and fair values

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

	Carrying amount	Consolidated financial statements/ Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
31 December 2017					
<i>Financial assets and financial liabilities measured at fair value</i>					
Derivatives	(210)	-	(210)	-	(210)

Measurement of fair values

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

Financial instruments measured at fair value

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

27 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Capital commitments				
<i>Contracted but not provided for</i>				
Building and constructions	12,659	3,282	12,659	3,282
Machinery and equipment	620	2,448	620	2,448
Office equipment	646	630	646	630
Computer software	98	-	98	-
Total	14,023	6,360	14,023	6,360
Future minimum lease payment under non-cancellable operating lease				
Within one year	4,744	4,267	4,647	4,066
After one year but within five years	1,337	1,626	1,168	1,612
Total	6,081	5,893	5,815	5,678
Other commitments				
Bank guarantees	7,143	7,169	7,143	7,169

As at 31 December 2018, the Group had;

- (a) operating lease agreements covering warehouse, factory equipment, office equipment and vehicles for the Company and covering office equipment and vehicles for a subsidiary for periods of 1 to 7 years, which will expire in various dates in 2019 to 2022.
- (b) letter of guarantees issued by financial institutions in favour of the Company for the use of electricity and for performance bonds guarantee which some letter of guarantees of Baht 6.3 million were secured by the Company's land and constructions.
- (c) purchase order accepted by suppliers of the Company for purchase of raw materials for a total quantity of 5,400 MT (*2017: 9,074 MT*), at the prices as determined in purchase order that will be delivered during 2019 (*2017: during 2018*).

28 Contingent liabilities

As at 31 December 2018, the Company had;

- (a) guaranteed unutilised bank overdrafts for subsidiary in amount of Baht 5 million (*2017: Baht 5 million*).
- (b) guaranteed rental agreements for subsidiary in amount of Baht 0.01 million (*2017: Baht 0.07 million*).

29 Events after the reporting period

At the Board of Directors' meeting held on 13 February 2019, the directors resolved to propose the dividend payment at Baht 0.3 per share. The dividend payment shall be approved by its shareholders at the annual general meeting of the shareholders.

30 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRSs which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRSs become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020

* TFRS - Financial instruments standards

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management has considered the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements and expects that there will be no material impact on the financial statements in the period of initial application.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS – Financial instruments standards on the consolidated and separate financial statements.



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