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รายงานประจำปี | Annual Report
YUASA BATTERY THAILAND PUBLIC COMPANY LIMITED

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BEGIN YOUR JOURNEY

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05



Akira Kiyomizu

Message from the Board of Directors

The year 2023 was challenging in a different way for us and our peers in the industry. As the world slowly returned to normal in the year before, initially we all planned for further economic recovery, targeting sales growth and preparing accordingly for production and/ or service. The situation turned out to be much different, with the Thai economic growth decelerating following global economy. For the first time in two years the headline inflation became negative, although it was mainly an effect of government measure on electricity price and could be temporary. The household debt in Thailand, meanwhile, was at the highest level in ASEAN and could reduce the potential growth of household consumption in the future. The recovery had been dependent mainly on tourism as well as government measures to support on cost of living.

YUASA had; however, adjusted its strategy and plan to be in line with the situation while simultaneously maintaining the quality of product and improving further on production efficiency, and was able to deliver a positive result. In 2023, the margins of gross profit, operating profit, and net profit were all higher than in 2022 as a result of production cost reduction, with the sales revenue growth of 2.9 percent year-on-year. The Company had carried on with its strategy to retain and expand customer base and invested in machineries with the aim to achieve production target by using less resource. Besides, we consistently emphasized on creating safe and healthy environment internally and externally along with strengthening operational procedures and adhering to ethical conduct. The company kept focusing on ensuring proper ESG protocols, for example reducing climate impact and managing relationships with employees, suppliers, customers, and the communities where we operate.

In 2024 that the Thai economy is projected to recover by the support of tourism and goods exports recovery, we will look to continue on productivity improvement, not only in term of manufacturing process but also in our selling and administration operations. Technologies will be utilized more in order to reduce time and resources used and facilitate the flows of process. Innovation is also key to the growth and we will also put effort in creating new offerings for our customers. We remain committed in conducting business that can generate sustainable growth coupled with good corporate governance and management which in turn can create a long-term value for every stakeholder.

On behalf of the Board of Directors, I would like to reflect on the work of our executives and personnels who have demonstrated a level of commitment and dedication for which I am much grateful. And I would like to express gratitude to every shareholder, customer and stakeholder for the continued support and confidence in our business, and I look forward to continuing our partnerships for many years to come.

“ We remain committed in conducting business that can generate sustainable growth coupled with good corporate governance and management ”

On behalf of Directors



Akira Kiyomizu

Chairman of the Board of Directors (Acting)

March 15th, 2024





01

BUSINESS OPERATIONS AND
PERFORMANCE

1.1 Policy and overall business operation

Yuasa Battery (Thailand) PLC (“the Company”) was founded in 1963. The Company was formed as a Thai-Japanese joint venture, which have been facilitated with technology transfer from GS Yuasa International Ltd, Japan (GYIN). For better understanding, as a guideline for keeping track with the business direction, the Company hereby explains the overview, background information as well as the characteristics of the business as follows: -

1.1.1 Vision, Target, Mission, Guideline of Business Operation and Business Achievement

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 the 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”

Main objectives in 2023-2025:

- a) To sustainably make reasonable profit
- b) To increase customer satisfaction through innovations and services
- c) To continually improve in safety, health and environmental aspects
- d) To enhance employee skills and encourage positive attitudes towards work to strengthen the organization
- e) To primarily focus on Corporate Social Responsibilities (CSR) for employees, local community, and the society
- f) To operate the business according to corporate governance and anti-corruption principles

General business policy:

- The Company conducts its business in compliance with the relevant laws and maintains its business operational processes with integrity and ethics.
- The Company respects and adheres to the norms and traditions of that respective locality.
- The Company expects all directors and employees to comply with the Company’s policy, accounting procedures and other rules and regulations. Nevertheless, employees are to notify the Management should there be any suspicions on the violations of the Code of Conduct, which could lead to offenses or the Company’s reputational damage.
- The Company places importance on balancing financial extents, customers, operational process, and the results of organizational administration. Decision is made based on analysis, benchmarking, and evaluations of all stakeholders’ expectations. The organization’s operating results are continuously reported, analyzed and improved.

Strategy for business achievement of targets and objectives

The Company has determined three major strategies in order to achieve the business target and objective namely a) Teamwork, b) Speed, and c) Aim to the top.

1.1.2 Significant changes and development in the past 3 years

The Company had undergone significant changes and development throughout 2020–2023 as follows: -

- Year 2020 : On May 14th, 2020, the Board of Directors passed the resolution to appoint the new Chief Executive Officer (CEO), Mr. Akira Kiyomizu, who carries on the policy from the resigned CEO, Mr. Ichiro Murata, who assumed the position in 2016. Mr. Kiyomizu is focusing on implementing the Company's core strategies towards sustainable profit growth and corporate accomplishment.
- Year 2021 : On April 6th, 2021, the Annual General Shareholders' Meeting passed the resolution to restructure the business through the acceptance of business transfer of Yuasa Sales and Distribution Ltd, a subsidiary in which the Company held a stake of 99.99%. The business transfer was effective July 1st, 2021 onwards.
- Year 2022 : On November 10th, 2022, the Board of Directors passed the resolution to approve the investment in the installation of solar cell panels on the factory's rooftop with the power generation capacity of approximately 907 kWp. The investment totaled 35.43 million baht. It helped save electricity charges on an average of 5 million baht per year. This project is supported by the Board of Investment's (BOI) incentives. Despite the outbreak of the coronavirus disease 2019 (COVID-19), which had occurred in series of waves since late 2019 through 2022, the Company has still been operating in compliance with the guidelines announced in the Communicable Disease Act, the Emergency Decree on Public Administration in Emergency Situations and other relevant laws and regulations. The Company conducts screening for employees with body temperature measurement, monitors the illness of employees should they fall sick and allows employees to work from home. The work areas are regularly cleaned, while the work atmosphere is kept disinfected and suitable for work.
- Year 2023 : On November 9th, 2023, the Board of Directors passed the resolution to approve the 41.62 million baht investment in the motorcycle battery production line - YT Line 4 improvement project for cost efficiency and safety in production targeting completion in 2024, and the 21.00 million baht investment in the Enterprise Resource Planning (ERP) system for improvement of operational efficiency. The ERP project is scheduled to start implementation in early 2024 and go live in February 2025. Both the YT Line 4 and ERP projects are in process of applying for additional support from the BOI. As for the solar cells installation on the factory's rooftop in 2022, the installation has been completed in December 2023 and will be in operation in 2024.

1.1.3 Name and location

| | | |
|---------------------------|---|---|
| Company's name in Thai | : | บริษัท ยวซ่า แบตเตอรี่ ประเทศไทย จำกัด (มหาชน) |
| Company's name in English | : | Yuasa Battery (Thailand) Public Company Limited |

| | | |
|---------------------|---|--|
| Symbol | : | YUASA |
| Registration Number | : | 0107537002672 (formerly บพจ. 514) |
| Nature of Business | : | Manufacture, import and distribute automobile batteries, motorcycle batteries, power backup batteries and industrial batteries for domestic sales and Export sales |
| Headquarter | : | 164 Moo 5, Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muang Samutprakan, Samutprakan |
| Telephone | : | 02-769-7300 |
| Fax | : | 02-769-7349 |
| Home Page | : | www.yuasathai.com |
| Registered Capital | : | 107,625,000 baht |
| Paid-up Capital | : | 107,625,000 baht |
| Par Value | : | 1 baht |

1.2 Nature of Business

Yuasa Battery Thailand Public Company Limited is a Thai-Japanese joint venture which has been facilitated with technology transfer from GS Yuasa International Ltd., Japan (GYIN). The Company is a manufacturer of automobile batteries, motorcycle batteries, truck batteries, agricultural vehicle batteries and fishing boat batteries, for both local and foreign distributions. In addition, the Company is an importer of industrial batteries for use as a backup power supply in various industries. The products were manufactured with advanced technologies facilitated by the joint venture and “YUASA” affiliated firms.

The Company has been operating for 60 years under the trademark "YUASA", a trademark of a Japanese joint venture company. In addition, Company manufactures and sells the batteries under its private brands, e.g., “THUNDERLITE” and “YUCON.” The Company pays royalty fees to GS Yuasa International Ltd. (GYIN). The royalty fees are calculated by units of production for conventional batteries and by percentage of sales for maintenance-free batteries. Furthermore, the Company also imports the batteries under the trademark “YUASA” from subsidiaries of a joint venture company, from which the Company has to pay royalty fees calculated based on the percentage of sales as well. For sales in foreign markets apart from the territories of Thailand, Laos, Cambodia, and Myanmar, if the Company wishes to distribute the products under the trademark "YUASA", it must get an approval from the joint venture. Generally, the joint venture provides assistant in seeking export markets. The joint venture may either purchase the entire lot of the products from the Company or charge a commission for selling. In terms of sales of the products within the Company’s territory or sales under other trademarks, the Company is allowed to independently distribute the products. The methods of distribution other than these will be carried out by the Company itself.

1.2.1 Income Structure of the Company and subsidiary

Unit: Thousand baht

| Details | 2021** | | 2022 | | 2023 | |
|---|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| Yuasa Battery (Thailand) Public Co.,Ltd. ("Company") | | | | | | |
| 1. Automotive Batteries | | | | | | |
| - Replacement Market (REM)** | 401,128.96 | 17.74 | 812,844.19 | 31.40 | 795,800.91 | 29.89 |
| - Original Equipment Market (OEM) | 78,338.67 | 3.46 | 110,912.91 | 4.28 | 85,576.03 | 3.21 |
| - Exports | 164,607.93 | 7.28 | 222,798.38 | 8.61 | 230,890.55 | 8.67 |
| - Indirect Exports* | 7,121.53 | 0.31 | 5,810.63 | 0.22 | 14,956 | 0.56 |
| - Others | 5,043.61 | 0.22 | 6,387.48 | 0.25 | 401.27 | 0.02 |
| 2. Motorcycle Batteries | | | | | | |
| - Replacement Market (REM)** | 252,501.49 | 11.16 | 454,257.47 | 17.55 | 508,692.35 | 19.11 |
| - Original Equipment Market (OEM) | 534,587.63 | 23.64 | 601,804.90 | 23.24 | 623,975.82 | 23.44 |
| - Exports | 216,146.13 | 9.56 | 279,026.09 | 10.78 | 309,741.48 | 10.42 |
| 3. Power Supply Batteries | | | | | | |
| - Domestic Market** | 26,502.52 | 1.17 | 26,556.51 | 1.03 | 27,013 | 1.01 |
| 4. Others | 49,935.53 | 2.21 | 58,328.07 | 2.25 | 57,592.22 | 2.16 |
| Total sales revenue of the Company (a) | 1,735,913.99 | 76.75 | 2,578,726.64 | 99.60 | 2,654,640.34 | 99.72 |
| Yuasa Sales and Distribution Co., Ltd.** (The Company held 99.99% stake) | | | | | | |
| 1. Automotive Batteries | | | | | | |
| - Replacement Market (REM) | 306,102.34 | 13.53 | - | - | - | - |
| 2. Motorcycle Batteries | | | | | | |
| - Replacement Market (REM) | 208,459.80 | 9.22 | - | - | - | - |
| 3. Power Supply Batteries | 1,122.14 | 0.05 | - | - | - | - |
| 4. Other | 0.76 | 0.00 | - | - | - | - |
| Total sales revenue of the subsidiary (b) | 515,685.03 | 22.80 | - | - | - | - |
| Combined sales revenue (a) + (b) | 2,251,599.01 | 99.55 | 2,578,726.64 | 99.60 | 2,654,640.34 | 99.72 |
| Other income | 10,072.08 | 0.45 | 10,274.26 | 0.40 | 7,462.90 | 0.28 |
| Total income | 2,261,671.09 | 100.00 | 2,589,000.89 | 100.00 | 2,662,103.24 | 100.00 |

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

Remarks: * Domestic sales to export dealers

** In 2021 the Annual General Shareholders' Meeting passed the resolution to accept the entire business transfer of Yuasa Sales and Distribution Ltd., effective July 1st, 2021 onwards. As a result, only income generated in the first 6 months, dating January through June 2021, was recognized. Income generated in the last 6 months, dating July through December 2021, was recognized as the Company's income.

1.2.2 Product Information

1.2.2.1 Nature of products and services The Company's major products are classified into 4 main categories based on their usage, namely:

Conventional batteries are batteries that must be regularly maintained by adding distilled water to prolong their lifetime. The production techniques and materials used cause a high rate of water evaporation, especially in countries with hot climates such as Thailand. Traffic congestions also raise the temperature in the engine compartment, resulting in high-rate evaporation of electrolyte solution in a battery. Therefore, it is necessary to add distilled water regularly to prolong its lifetime.

- Automotive Batteries are currently manufactured under trademarks, such as "YUASA," "THUNDERLITE" and "YUCON."

- Motorcycle Batteries are currently manufactured under trademarks, such as “YUASA,” “THUNDERLITE,” “YUCON,” “I-RACER,” and “Y-SPEED.”

Maintenance-Free Batteries are batteries that do not require distilled water added throughout their lifetime because the structure of raw materials and production processes are different from the above conventional battery, causing the very-low level of water loss and the very-low level rate of discharge. Therefore, they are suitable for long-term usage, which is better than conventional batteries. Maintenance-free batteries are divided as follows: -

- Automotive Batteries, Wet Charge Type is designed to use a separator and special elemental plates as well as the refinement in the production process. The batteries are ready for use immediately after leaving the factory. Therefore, they have longer lifetime than the same type of general batteries available in the market.
- Motorcycle Batteries are designed to be suitable for the usage in motorcycles with features that can be installed in any position without the leakage of the electrolyze solution because the structure is sealed all around. Currently, this type of batteries is produced under the trademark “YUASA.”

The two aforementioned types of batteries are produced in the Company’s factories. The Company has manufactured batteries in compliance with the requirements of the Japanese Industrial Standard (JIS) and the German standard or Deutsches Institut Fur Normung (DIN). In addition, the Company is certified with ISO9001:2015 and ISO 14001:2015, which are worldwide standards. Therefore, the batteries from the Company can be used in both hot and cold climates.

In addition, the two types of batteries produced by the company can also be classified based on the materials used to make the battery case as follows:

- Hard Rubber Container batteries: The container is solid black in color and cannot be seen through. The container is made of natural or artificial rubber. This type of container was used in the early manufacturing era. At present, this type of container is used in batteries for boats and agricultural machinery as the production is costly and the batteries themselves are heavy.
- Polypropylene Container (PP): The natural color of this container type is cloudy white and can be seen through. It is highly flexible and softer than hard rubber case. At present, it is mainly used in the manufacturing of batteries for automobiles and motorcycles as the manufacturing cost is lower and the weight is lighter than those with hard rubber container.

Power Supply Batteries, Industrial batteries and Traction Batteries consist of maintenance-free batteries and vented batteries. All of them are imported products from the joint venture company and its affiliates. They are divided into the following: -

- Power Supply Batteries do not require maintenance. They have a lifetime of up to 5 years. Under normal usage conditions, NP batteries are recommended. They are suitable for use in air-conditioned rooms or in confined places with poor ventilation. As they are seal-type batteries, there is no vapor or gas emitted during the usage. The prices are affordable. With such features, they are popularly equipped in various devices, including emergency light, uninterrupted power supplies or UPS, medical equipment, telecommunications equipment and other electronic devices.
- Industrial Batteries are batteries with a lifetime of 10-20 years. There are both maintenance-free batteries and vented batteries

a) **Maintenance-free type:** This type of battery is more efficient and of higher quality than the NP type. It is suitable for applications requiring installation in areas with limited ventilation or in an air-conditioned room. Thanks to the sealed structure, no gas evaporates during the usage. As they require no maintenance and is of high quality, long lifetime, no evaporation of gas that can damage surrounding equipment, they are commonly installed in telecommunication and database systems. Communication systems are expensive. They must not stop as downtime of the systems means massive damage that counts for seconds.

b) **Vented type:** is comprised of lead acid batteries and nickel cadmium batteries (Ni-Cd). Lead acid batteries are inexpensive and suitable for general usage that does not require much reliability. These batteries are installed in a well-ventilated place as gas evaporates while they are working. On the other hand, Ni-Cd batteries, despite having the same working characteristics as lead acid batteries, have higher supply capacity and a longer lifetime than lead acid batteries. As they can last up to 20 years, they are pricier. Such type of batteries is suitable for factories and power plants. They are installed in various equipment — electric power distribution system in power plants, general power backup system, communication and telecommunications equipment, other electronics, etc.

- **Traction Batteries** Lifetime of this type of batteries is in the form of usage cycles. The batteries are resistant against deep discharge. They are equipped in electric forklifts, golf carts and solar panels.

Other services The Company offers after-sales services for industrial batteries.

The Company also offers maintenance contract for customers whose warranty contract has expired.

1.2.2.2 Marketing and Competition

Outlook of the Automobile and Motorcycle Industries

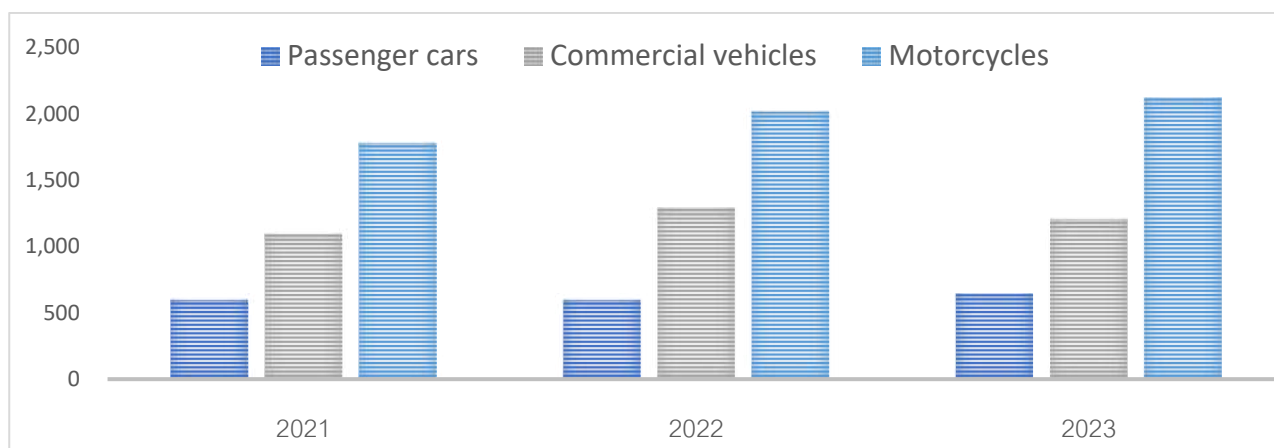
Batteries are essential for daily life as they can be used broadly; for example, they can be used as a power source, household lighting or being used to spot animals at night as well as being used as an essential component in vehicles and telecommunications and global database systems. As a result, batteries are popularly used. There are many types of them, from general, low-tech batteries to high-tech batteries that are categorized by type of usage. Also, before the explanation of the battery industry, an overview of the automobile and motorcycle industry will be firstly explained. They have been directly related to the battery industry in terms of production, distribution, imports and exports throughout the past periods; and are detailed as follows: -

a) Production of cars and motorcycles

According to the data from the Federation of Thai Industries showing car and motorcycle production output in 2023, compared with that of 2022, passenger car and motorcycle production output increased by 7.74% and 5.21% respectively. Commercial vehicle production output, meanwhile, decreased by 6.75%. The core reason that caused the reduction was the decrease in pickup truck production for domestic sales due to tightening loan criteria by financial institutions.

Table and Graph: Domestic car and motorcycle production output

Unit: thousand units



| Products | 2021 | 2022 | 2023 |
|---------------------|-------|-------|-------|
| Passenger cars | 595 | 594 | 640 |
| Commercial vehicles | 1,091 | 1,289 | 1,202 |
| Motorcycles | 1,781 | 2,016 | 2,121 |

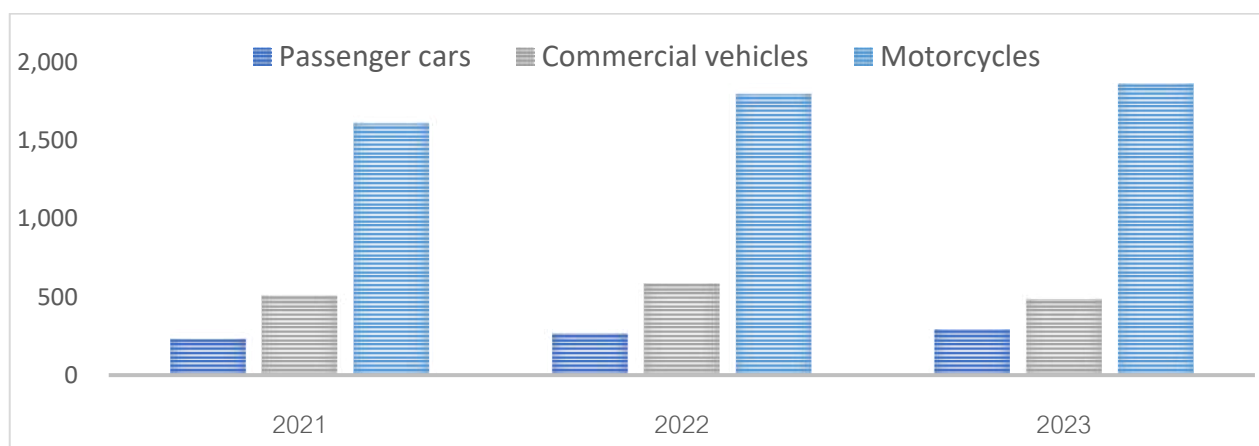
Source: The Federation of Thai Industries, 2021–2023, dated January 31st, 2024

b) Sales of cars and motorcycles

The data from the Federation of Thai Industries showing domestic sales of cars and motorcycles in 2023 — compared with that of 2022 — found that sales of passenger cars and motorcycles rose 10.19% and 3.63% respectively. Sales of commercial vehicles decreased 17.29% owing to the decline in pickup truck domestic sales affected by the change in loan approval criteria of financial institutions, as Thai household debt was in high level.

Table and Graph: Domestic car and motorcycle sales

Units: thousand units



| Products | 2021 | 2022 | 2023 |
|---------------------|-------|-------|-------|
| Passenger cars | 231 | 265 | 292 |
| Commercial vehicles | 507 | 584 | 483 |
| Motorcycles | 1,606 | 1,792 | 1,857 |

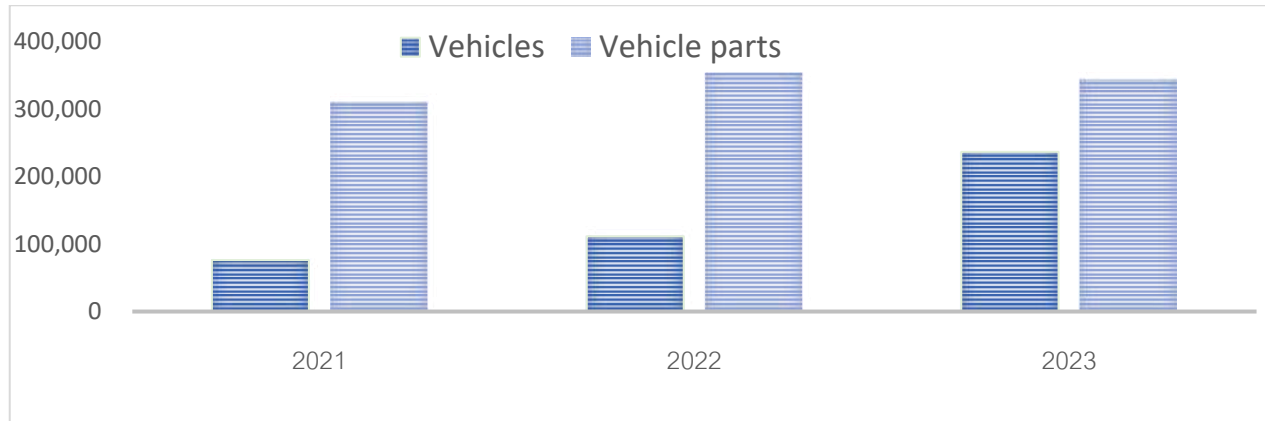
Source: The Federation of Thai Industries, 2021–2023, dated January 31st, 2024

c) Vehicle and vehicle parts imports

In 2023, the import value in Thai Baht of vehicles rose 112.11% from the previous year while vehicle parts import value declined 2.91% year on year.

Table and Graph: Thailand's import value of vehicles and vehicle parts

Unit: million baht



| Products | 2021 | 2022 | 2023 |
|---------------|---------|---------|---------|
| Vehicles | 76,205 | 111,553 | 236,612 |
| Vehicle parts | 309,563 | 353,544 | 343,267 |

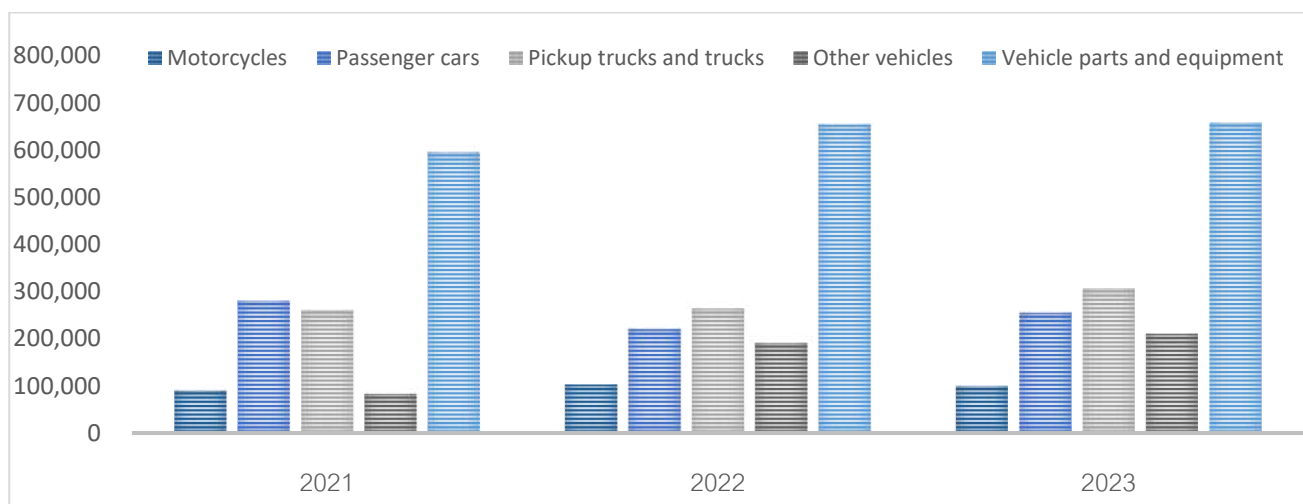
Source: The Department of Customs (processed by the Bank of Thailand), 2021–2023, dated January 31st, 2024

d) Vehicle and vehicle parts exports

According to the data from the Department of Customs processed by the Bank of Thailand, in 2022, the overall export value in the automobile industry increased 8.76% from 2021, primarily due to an initial phase of growth in the global economy from economic stimulus measures imposed in many countries.

Table and Graph: Thailand's export value in the vehicle industry

Unit: million baht



| Products | 2021 | 2022 | 2023 |
|-----------------------------|-----------|-----------|-----------|
| Motorcycles | 89,430 | 102,668 | 99,239 |
| Passenger cars | 279,929 | 220,195 | 254,524 |
| Pickup trucks and trucks | 260,946 | 264,138 | 306,477 |
| Other vehicles | 82,367 | 190,257 | 209,732 |
| Vehicle parts and equipment | 594,661 | 653,791 | 657,244 |
| Total | 1,307,332 | 1,431,049 | 1,527,216 |

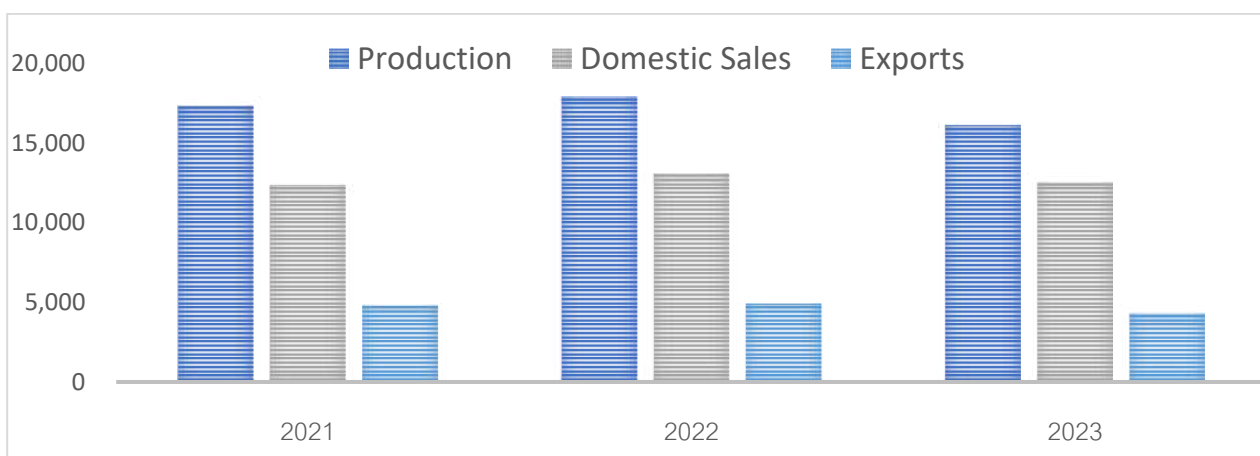
Source: The Department of Customs (processed by the Bank of Thailand), 2021–2023, dated January 31st, 2024

The Battery Industry

As indicated in the data of production, domestic sales and exports of automotive batteries and motorcycle batteries from major manufacturers processed by the Office of Industrial Economics as of January 31st, 2024, production, domestic sales and exports in 2023, compared with that of 2022, declined 9.95%, 4.20% and 12.97%, respectively, as an effect of unfavorable economic conditions. The Thai economic growth has slowed down following global economy while household debt in Thailand was relatively high and affected consumption. However, such figure did not include the imports of batteries for domestic sales. At present, batteries are imported from many countries, such as China, India, Indonesia and South Korea, for instance. These batteries are inexpensive compared to locally produced batteries. On the other hand, their weakness is after-sales services, which are less effective than local manufacturers.

Table and Graph: Production, domestic sales and exports of automotive and motorcycle batteries by major manufacturers

Unit: thousand units



| Car and Motorcycle Batteries | 2021 | 2022 | 2023 |
|------------------------------|--------|--------|--------|
| Production | 17,311 | 17,900 | 16,119 |
| Domestic Sales | 12,339 | 13,053 | 12,505 |
| Exports | 4,776 | 4,912 | 4,275 |

Source: The Office of Industrial Economics, 2021–2023 (Dated 31st, January 2024)

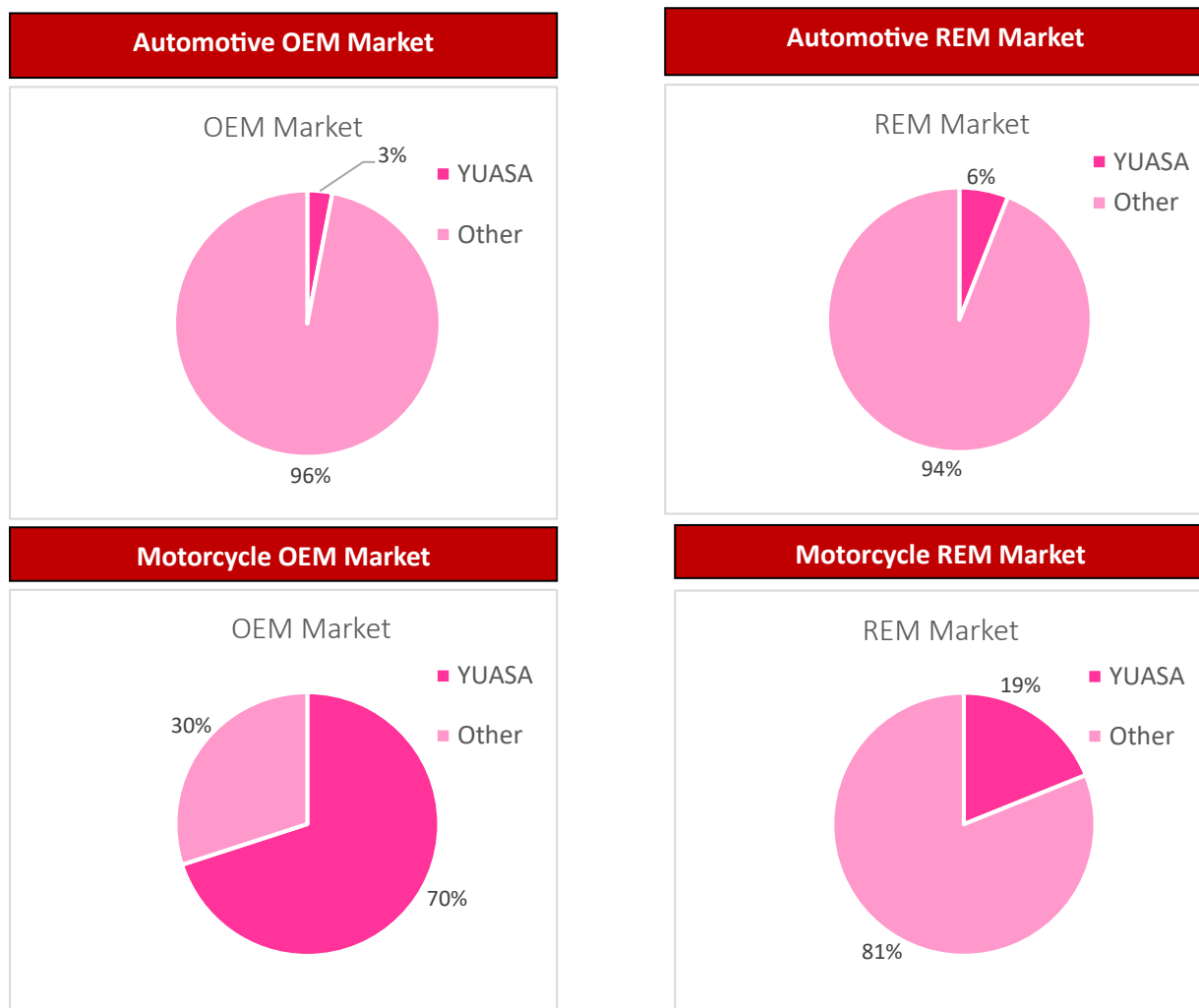
Marketing and Competition

Overview of battery manufacturers in Thailand: Most of battery manufacturers in Thailand are joint ventures formed between foreign entities (Japanese) and Thai manufacturers. They are facilitated with technology transfer from the joint venture firm. Such formation also benefits battery manufacturers in terms of relationship with Japanese automakers. Battery manufacturing in Thailand is mostly comprised of the production of automotive and motorcycle batteries, which are standard batteries. However, the production of industrial batteries, which work as backup power sources for factories, office buildings, and computer equipment has increased. There is also the production of electric vehicle (EV) batteries. At present, the government has continuously issued a variety of incentive measures for investors as well as consumers. This resulted in an increasing demand for this type of batteries, to which the trend continues to thrive. It is projected that in the near future, apart from the investments from automakers — whose productions are for their respective brands — the incentives will attract more battery manufacturers to invest in Thailand.

For the battery manufacturing industry, there are currently 8 major manufacturers with combined production capacity of 80% of the total production capacity. The approximate market share of the Company as of 2023 can be demonstrated as follows: -

Graphs: Market Shares in 2023

Unit: %



Source: Projection by the Marketing Department, Yuasa Battery (Thailand) PLC and surveys on business operators (as of January 31st, 2024)

Remark: Market shares in some particular periods might be higher or lower than the projection

The characteristics of Thailand's battery markets are classified into 2 categories, which are:

- a) The domestic market** consists of the original equipment market (OEM) and the replacement equipment market (REM).

(1) The Original Equipment Market (OEM) involves selling of batteries to automobile and motorcycle assembly factories such as Honda, Hino, Isuzu, Toyota and Suzuki factories — most of which are jointly owned by Japanese automakers and motorcycle makers. The majority of them manage their procurements in compliance with the policies stipulated by their Japanese joint venture counterpart as well as the relationship among the executives. Japanese car and motorcycle assembly factories usually purchase batteries from Thai-Japanese joint ventures under a standard purchase agreement. Sales in the OEM market do not contribute to high profit due to intense price competition, and the buyers have more negotiation power. Siam GS Battery Ltd. holds the largest market share in the automotive OEM market. On the other hand, the motorcycle OEM market is still profitable due to a lower number of producers compared to automotive batteries. Consequently price competition is not so intense as in the automotive OEM market and Yuasa Battery (Thailand) PLC holds the largest market share in this market.

The OEM market is crucial for battery manufacturers. Most of the manufacturers must enter this market despite it being not so profitable, because the companies could continue to benefit from the REM market: consumers are likely to order batteries of the same type as the one originally equipped with cars or motorcycles. Nevertheless, the originally installed batteries last longer due to the all-new electrical equipment, therefore accessing the OEM market indirectly helps the Company publicize its brand as it can reach consumers individually.

(2) Replacement Equipment Market (REM) involves selling of batteries to end users, both cars and motorcycles, through nationwide dealers. In the REM market, most companies implement marketing strategies, such as running advertisements through an array of media, be it radios, televisions, newspapers, magazines and online channels. This is aimed at creating brand awareness and product recognition among consumers. Another key strategy is strengthening good relationship between companies and dealers. This market is the primary profit-making market for manufacturers.

The problem associated with competition is market shares in the governmental market — which consists of government agencies and state enterprises - is highly regulated through bidding processes while the rest is the highly-competitive private-sector market. At present, the manufacturing of automotive and motorcycle batteries does not require advanced technology; however, the manufacturing quality differs. Most manufacturers must focus on manufacturing techniques to control the quality and cost.

b) The Export Market

Amidst the early stage of the battery industry, local manufacturers manufactured batteries as import substitutes. Once the domestic demand had been fulfilled, the manufacturing of batteries for exports began. Essential importers of Thai batteries are Myanmar, Cambodia and the Middle-East. However, these countries have different needs for the batteries. Apart from vehicle component use, Myanmar and Afghanistan need batteries for household power consumption and mobile shops due to their low power generation capacity, which usually leads to insufficient electricity supply for public consumption. Batteries, for that reason, are extremely essential for electricity consumption. Meanwhile, the Middle-East and Japan need batteries for use in cars. For Japan, to the large extent, the country's battery production has reduced,

whereas the imports have risen. Battery manufacturers in Thailand, in whom Japanese firms have invested in, are at an advantage due to their relationships with the parent country and its automakers. Moreover, it is likely that in the future, battery consumption in the Indochina countries will thrive, and Thailand is at an advantage in the exports to such countries thanks to its location in the region, which facilitates the shipping.

In terms of battery sales in the export market, prices vary based on the fluctuations of lead prices and currency exchange rates. The Company adjusts selling prices in accordance with such changes. Furthermore, selling prices are determined based on the production period as well.

The growth of product demand and expansion of international markets have triggered more competition among producers, especially those in the same region because of their cost advantage. Therefore, battery producers tend to implement cost reduction continuously to improve their competitiveness.

Market characteristics of Yuasa Battery (Thailand) PLC are described as follows: -

a) The domestic market

(1) The Original Equipment Market (OEM): In 2023, the Company's market share from automotive and motorcycle battery sales in this market was approximately 3% and 70%, respectively. This market is considered crucial despite lower profit margin generated compared to other markets: this is due to the high demand and continual orders. It also supports the advertising of the Company's products (as mentioned earlier). At present, the Company is working to expand its distribution in this market by seeking new customers, especially new local motorcycle manufacturers. The Company also maintains relationship with existing customers by offering collaborations in various aspects. The Company's customers are automobile and motorcycle manufacturers such as Honda, Toyota, Hino, Yamaha and Suzuki.

(2) The Replacement Equipment Market (REM): In 2023, the Company's market share from automotive and motorcycle battery sales in this market was approximately 6% and 19%, respectively. The domestic REM market and the modern-trade market are considered highly competitive. Sales channels in the REM market are classified as follows: -

- The distribution through the Company's distributors
- Sales through auto service centers and modern-trade service centers — B-Quik, Autoclick, etc.
- Selling the products directly to end-users
- Selling the products to government agencies, e.g., the military

The Company equally recognizes the importance of each marketing channel. In addition, the Company is the Exclusive Distributor for B-Quik, and has supported the store in carrying out sale promotional activities as well as battery inspection services.

b) The Export Market

Sales in the international market in 2023 was approximately 21.61% of total sales revenue. Major customers include Afghanistan, Myanmar, Cambodia, etc. In the international market, product distribution is conducted through partners and GS Yuasa International Ltd. (GYIN), Japan, and its affiliates. Automotive and motorcycle batteries are distributed through GYIN and its affiliates approximately 9.32% and 20.68% of total export value, respectively. Others are distributed through dealers and sold to end-users directly.

Automotive battery export value in 2023, compared to 2022, increased 17.24 million baht or 7.54%. In this year even though automotive battery sale was projected to decline due to effect from global economic condition, demand for household consumption in countries at war or internal conflict was at higher level. Motorcycle export value grew 30.39 million baht or 10.90%, mainly because Honda Philippines expand its production to increase domestic and export sales. Regarding international distribution, in addition to the "YUASA" trademark, the Company also sells batteries under other trademarks, such as "YUCON" and "THUNDERLITE," through its own distribution plan. Distribution under "YUASA" trademark, on the other hand, is permitted in the territories assigned by GYIN. They include Cambodia, Laos and Myanmar. Apart from the aforementioned locations, the Company must get an approval from GYIN in order to avoid channel conflicts among "YUASA" affiliated in other countries. Also, there is a policy to focus more on the marketing of batteries under the Company's own trademarks, namely "YUCON" and "THUNDERLITE."

Table: Annual battery export value dated December 31st of every year, Yuasa Battery (Thailand) PLC and subsidiary

Unit: million baht

| Export Value | 2021 | | 2022 | | 2023 | |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Value | % | Value | % | Value | % |
| Automotive batteries | | | | | | |
| - Direct sales | 127.70 | 32.92 | 169.40 | 33.37 | 179.14 | 32.26 |
| - through affiliated | 36.90 | 9.51 | 53.40 | 10.52 | 51.75 | 9.32 |
| - through other dealers | 7.12 | 1.84 | 5.81 | 1.14 | 14.96 | 2.69 |
| Total | 171.73 | 44.27 | 228.61 | 45.03 | 245.85 | 44.27 |
| Motorcycle batteries | | | | | | |
| - Direct sales | 103.79 | 26.76 | 132.99 | 26.20 | 194.61 | 35.05 |
| - through affiliated | 112.36 | 28.97 | 146.04 | 28.77 | 114.83 | 20.68 |
| - through other dealers | - | - | - | - | - | - |
| Total | 216.15 | 55.73 | 279.03 | 54.97 | 309.44 | 55.73 |
| Grand Total | 387.88 | 100.00 | 507.64 | 100.00 | 555.28 | 100.00 |

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

Remark: Affiliated refers to GS Yuasa International Ltd., Yuasa Battery (Malaysia) Ltd., GS Yuasa Siam Sales Ltd., Yuasa Battery (Sundae) Ltd., Tata AutoComp, GY Battery Private and Yuasa Battery Ltd.

Marketing strategies: The Company has established strategies for sales of the products as follows: -

a) Produce-for-sale policy: In terms of overall production output, the Company prioritizes manufacturing and distributing to OEM customers as it is stated in the agreement between the Company and automakers. The remainders from sales in the OEM market will then be distributed to the domestic REM market and export market; all of which are done under standardized production quality control. The Company intends to keep the product's proprietary rights confidential. In addition, the Company has a policy to manufacture products under other trademarks with improvement in the cost of production, which will allow the products to compete in the market. However, if there is a period in which the Company is unable to manufacture products as needed or the price is not competitive against competitors, the Company will import products from affiliated companies to compensate the production deficit or to be able to compete in the market.

b) Domestic and international sales: In terms of revenue from sales of automotive and motorcycle batteries in 2023, domestic sales revenue accounted for 78.61% while international sales accounted for 21.39% of the total sales revenue. Revenue from both domestic and international sales improved from 2022 due to the Thai economic recovery despite the slower-than-expected rate. Another factor contributed to the growth was the production termination of Panasonic brand, providing customer base expansion opportunity for the Company.

Table: Revenue ratio from domestic and international sales of automotive and motorcycle batteries dated December 31st of every year, Yuasa Battery (Thailand) PLC and subsidiary (other income excluded)

Unit: million baht

| Export Value | 2021 | | 2022 | | 2023 | |
|-----------------------------|---------------|---------------|-----------------|---------------|-----------------|---------------|
| | Value | % | Value | % | Value | % |
| Domestic sales revenue | 1,808.74 | 82.34 | 2,006.38 | 79.81 | 2,041.06 | 78.61 |
| International sales revenue | 387.88 | 17.66 | 507.64 | 20.19 | 555.28 | 21.39 |
| Total | 387.88 | 100.00 | 2,514.01 | 100.00 | 2,596.34 | 100.00 |

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

c) Domestic distribution and sales territories: Distribution comprises of direct distribution to OEM customers, which are automakers, such as Toyota, Hino and other automobile companies; and distribution to REM and MTD customers through Yuasa Sales and Distribution Ltd as well as other dealers.

In terms of distribution to OEM customers, pricing is still a bargaining because it involves sales in big, continual lots. REM and MTD pricing are defined by the Company.

In 2023, sales to OEM customers generated a total revenue of 709.55 million baht or 34.76% of total domestic sales, a decline of 0.44% compared to 2022 owing to the effect from loan approval policy of financial institutions that caused automotive sales particularly pickup trucks to slow down.

Total domestic sales revenue was 2,041.06 million baht, up 1.73% compared to 2022. The Company is pushing for the sales of automotive and motorcycle batteries into new marketing channels, along with more promotional campaigns to boost battery purchase from the Company.

Table: Domestic battery sales revenue through various channels dated 31st, December of every year, Yuasa Battery (Thailand) PLC and subsidiary (other income excluded)

Unit: million baht

| Distribution | 2021 | | 2022 | | 2023 | |
|------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| REM direct distribution | 653.63 | 36.14 | 1,267.10 | 63.15 | 1,304.49 | 63.91 |
| OEM direct distribution | 612.93 | 33.89 | 712.72 | 35.52 | 709.55 | 34.76 |
| Distribution "Yuasa Sales**" | 515.68 | 28.51 | - | - | - | - |
| Other dealers | 26.50 | 1.47 | 26.56 | 1.32 | 27.01 | 1.32 |
| Total | 1,808.74 | 100.00 | 2,006.38 | 100.00 | 2,041.06 | 100.00 |

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

Remark: * On April 7th, 2021, the Company signed an agreement on the Entire Business Transfer of its subsidiary, Yuasa Sales and Distribution Ltd., effective July 1st, 2021. The subsidiary had registered its dissolution with the Ministry of Commerce on July 1st, 2021. Income of Yuasa Sales and Distribution Ltd. in 2022, therefore, was not reported.

d) Product quality: The Company produces high-quality products by applying technology transferred from GYIN, Japan. Raw material and product inspections are implemented in every step of production through the Acceptance Sampling Techniques. The Company was certified by many institutions — JIS, DIN, etc. It was also certified with the globally-accepted standards of ISO9001 and ISO14001. Furthermore, the Company is the leader in production with the assistance of cutting-edge technologies, such as sealed maintenance-free batteries. Most of the customers agree that the Company's products are of high-quality.

e) Pricing policy: Pricing is usually based on the trademark of each battery product to be manufactured. The "YUASA" brand is positioned as a premium brand with higher selling prices. For "THUNDERLITE" and "YUCON," prices of these two brands are moderate and lower than that of "YUASA," thus the pricing strategy will not ruin the image of the "YUASA" brand.

In terms of wholesale pricing, the Company implements the tiered pricing model as a nationwide standard. The tiered pricing is also implemented in international markets as an established international standard.

f) Good relationship with major automakers and motorcycle makers: With a long history of automotive and motorcycle battery sales and the Company's long-lasting good relationship with automakers and motorcycle makers; while GS Yuasa Corporation, Japan — the parent company of GYIN — who is the Company's major shareholder, has had good relationship with Japanese automakers, the product development collaboration with the automakers was formed; for example, the manufacturing of a special maintenance-free motorcycle battery model for 4-stroke Honda motorcycles. This kind of development is advantageous as it allows the Company to grab market shares from sales revenue of that motorcycle model.

g) Sales promotions: The Company offers a variety of sales promotions depending on the characteristics of each market

- (1) Discounts for dealers who make purchase order per quantity and condition
- (2) Offering of premium goods to customers that meet the criteria
- (3) Point collection program to redeem for rewards per condition
- (4) Advertisement and public relations activities through media – online and offline
- (5) Collaboration with customers to offer battery inspections to end users

The Company offers sales promotions with T-shirts or premium goods giveaway and point collection program to redeem for rewards. In terms of the REM market, there are travel programs for customers whose sales achieve the target.

The Company also runs advertisements through television, print media and other media, aiming at boosting consumer demand. Pull marketing is implemented in the REM market and the Company is responsible for conducting the strategy on its own. The budget of approximately 4% of the total domestic sales revenue is allocated. For the OEM market, the Company hardly allocates budget for advertising. The result is satisfactory as customers are able to recognize the products very well.

1.2.2.3 Procurement and services

Production capacity: In 2023, the Company had automotive and motorcycle battery production capacity of 600,000 units and 360,000 units per year, respectively.

Production capacity compared with actual production: In 2023, the Company's production of automotive batteries decreased by 9.57% and motorcycle batteries increased by 5.78% compared to 2022, which was in line with the sales. In case of motorcycle battery production the amount was higher than planned in preparation for the suspension of one production line for improvement in 2024. In addition to own production, the Company has also imported more batteries from its affiliates to sell in the domestic market.

Table: Production capacity compared with actual production in 2021-2023

Unit: unit per year

| Production capacity and production output | 2021 | 2022 | 2023 |
|---|-----------|-----------|-----------|
| Full production capacity | | | |
| Automotive batteries | 600,000 | 600,000 | 600,000 |
| Motorcycle batteries | 3,600,000 | 3,600,000 | 3,600,000 |
| Actual output (unit per year) | | | |
| Automotive batteries | 407,196 | 458,182 | 414,353 |
| Motorcycle batteries | 3,199,671 | 3,407,933 | 3,604,941 |
| Capacity utilization (%) | | | |
| Automotive batteries | 67.87 | 76.36 | 69.06 |
| Motorcycle batteries | 88.88 | 94.66 | 100.14 |
| Changes in production capacity (%) | | | |
| Automotive batteries | 5.41 | 12.52 | -9.57 |
| Motorcycle batteries | 11.04 | 6.51 | 5.78 |

Source: Yuasa Battery (Thailand) PLC

Sources of raw materials: The majority of raw materials, around 70-75% of the total raw material procurement, are ordered from domestic suppliers, while 25-30% of them are from international suppliers. Lead is the essential raw material in battery production, accounting for 75-80% of the production cost, which depends on prices of lead each year. Pure lead and some of other raw materials are from overseas manufacturers, whereas the majority of raw materials are ordered directly from domestic dealers who may have imported the material from abroad. Separators are purchased from both domestic and foreign suppliers.

Table: Raw material procurement value in 2021 through 2023

Unit: thousand baht

| Domestic Raw Material Purchase Value | 2021 | % | 2022 | % | 2023 | % |
|--|------------------|---------------|------------------|---------------|------------------|---------------|
| Pure lead | 210,829 | 19.18 | 326,767 | 25.10 | 343,117 | 24.64 |
| Lead-Antimony & Calcium | 386,426 | 35.16 | 493,376 | 37.90 | 459,622 | 33.01 |
| Separators | 34,919 | 3.18 | 40,728 | 3.13 | 38,791 | 2.79 |
| Others | 231,263 | 21.04 | 267,891 | 20.58 | 262,598 | 18.86 |
| Total Domestic Purchase | 863,437 | 78.56 | 1,128,762 | 86.71 | 1,104,127 | 79.30 |
| International Raw Material Purchase Value | | | | | | |
| Pure lead | 172,100 | 15.66 | 86,159 | 6.62 | 128,870 | 9.26 |
| Lead-Antimony & Calcium | 43,572 | 3.96 | 62,836 | 4.83 | 130,400 | 9.36 |
| Others | 19,928 | 1.81 | 23,994 | 1.84 | 29,019 | 2.08 |
| Total International Purchase | 235,599 | 21.44 | 172,989 | 13.29 | 288,289 | 20.70 |
| Total Purchase | 1,099,037 | 100.00 | 1,301,751 | 100.00 | 1,392,416 | 100.00 |

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

Raw material procurement policy: The Company's overall raw material purchase policy focuses on good and long-lasting relationship with the suppliers, especially the shared benefits of both the Company and the suppliers. This allows the Company to maintain good relationship with the suppliers. In terms of essential raw materials, the Company has procurement policy as follows: -

a) Lead: The Company has both domestic and international sources of procurement. Although domestic lead price is cheaper than imports, the Company needs to import as lead production in the country is insufficient to meet the current demand. After ordering lead, the Company will store it in the factory with a storage period of approximately 45-60 days. The purchase contracts last approximately 8-12 months. Product delivery quantity is planned on a monthly basis, while prices are defined from the commodity price in London Metal Exchange 1 month prior to making order, plus premiums which vary in each supplier, adjusted with exchange rates averaged in the period of purchase, and added up with shipping fees and value added tax.

b) Plastic and rubber containers: In 2023, the Company has 4 plastic container suppliers and a rubber container supplier. Raw materials for producing container lids used by the Company are rubber and polypropylene (PP) plastic. Prices of these raw materials are based on the market mechanisms and the cyclical ranges of rubber and plastic resin prices. The Company's raw material storage policy is about 30-45 days.

c) Separators: The Company orders separators from 2 international manufacturers and 3 domestic manufacturers, totaling 5 manufacturers. All domestic battery manufacturers order from the 3 domestic separators manufacturers. Basically, battery separators of each battery manufacturer differ in shape and manufacturing process. Each battery manufacturer will order the separator manufacturer to carry out the production according to their specifications.

For the previous order process, the purchase price has not greatly changed. In addition, the separator has a low unit price and therefore may not justify the cost if the Company will do its own production. The Company has a policy to store raw materials for about 30-45 days.

d) Acid fluid: The Company purchases acid fluid domestically from 2 suppliers for use in the production of batteries to be distributed to OEM and REM customers. The Company adds acid fluid (wet-charging) into the batteries before distributing them to all OEM customers and some REM customer upon request. Usually, for REM customers the dealers will add in the acid by themselves (dry-charging).

e) Order system: The Company's current order system is the QAD — a ready-to-use software — in which the Company's data are accessible by reach relevant department at the same time (online). It links data from the Finance and Accounting, Production and Warehouse, allowing users to acknowledge the status of raw materials purchased and used each day.

Credit policy: The Company and its subsidiaries had established credit criteria in order to be prudent, standardized and effectively protective against the risk of default on customers' debts. The Company has set a credit policy to be in line with the type of customers of the Company in the current situation. The approval of credit limit must be considered in accordance with the principles of analyzing the debt payment ability of the customer, characteristics of each customer as well as other factors that will affect the credit risk of the customer in order to set the time and standard conditions for payment and delivery of each type of customer group. The Company reviews the terms every year. The maximum debt payment period of the

customer group is set at 3 months. At present, the credit terms are classified according to each customer group, which can be summarized as follows: -

- For customers in the automotive industry, the credit term is 30-90 days.
- For customers in the export market, the credit term is 30-60 days. However, for new customers, a partial prepayment deposit is required before the shipping.
- For domestic customers, the credit limits are set for each customer by categorizing them into groups, namely small, medium, large customers, government agencies, state enterprise, and bidding agents. Their credit term is 7-90 days.

In 2023, the Company was not affected by debt repayment at all; as the Company closely monitored the matter. For the average debt repayment, the Company has disclosed information in Part 1 in Item 4: Management Discussion & Analysis.

1.2.2.4 Assets used in business operations

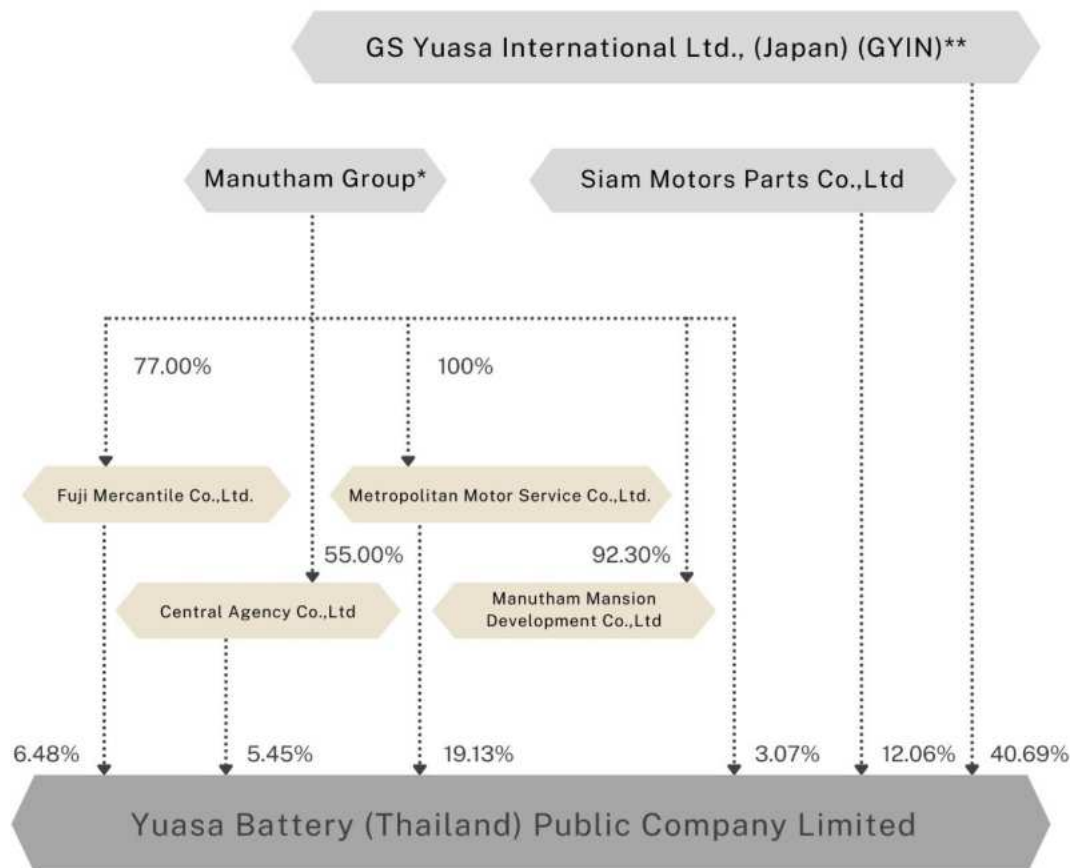
Major assets used in the Company's business as of December 31st, 2023 consisted of 3 main parts which are a) Land, buildings and equipment, b) Investment properties, and c) Intangible assets with a total book value of 464.47 million baht with details of important assets as follows: -

| Types of Assets | Book Value (Thousand baht) |
|----------------------------------|----------------------------|
| a) Land, buildings and equipment | |
| 1) Land | 27,789.79 |
| 2) Buildings and structures | 126,738.73 |
| 3) Machines and tools | 247,208.50 |
| 4) Office tools and equipment | 19,220.33 |
| 5) Vehicles | 5,344.96 |
| 6) Properties under construction | 3,029.20 |
| 7) Machine under installation | 28,701.49 |
| b) Properties for investment | |
| 1) Land | 2,320.90 |
| 2) Commercial buildings | 0.002 |
| c) Intangible assets | 4,119.38 |
| Total (a)+(b)+(c) | 464,473.27 |

Remarks: More information is disclosed in Appendix 4

1.3 Shareholding structure:

Relevant company structure (as of February 29th, 2024)



Source: Thailand Securities Depository Company Limited

Remark: * Number of shares held by Manutham Group in the Company included the number of shares held by siblings of the directors in the Manutham family

** **GS Yuasa International Co., Ltd.** (GYIN) holds 40.69% of shares in the Company, which is a subsidiary of GS Yuasa Corporation, Japan.

1.4 Registered and paid-up capital and major shareholders

Securities information

| | |
|---|-------------------------|
| Registered Stock Exchange of Thailand | mai |
| Industry Group | MAI Industry |
| Business category | Medium-sized businesses |
| Registered and paid-up capital of the Company as of December 31 st , 2023 were as follows: - | |
| Registered capital | 107,625,000 baht |
| Paid-up capital | 107,625,000 baht |
| Ordinary shares | 107,625,000 shares |
| Par value | 1 baht |

There are no following issues: -

- Characteristics of other types of shares of the Company with rights or conditions different from ordinary shares;
- The nature of the project issuance and offering of shares or convertible securities to a mutual fund for foreign investors (Thai Trust Fund) or issuance of options for returns arising from underlying securities (NVDR) containing the Company's shares with underlying securities of the Company;
- Characteristics of securities other than ordinary shares such as debentures, bills, convertible securities or debt instruments of the Company; and agreement between the group of major shareholders (Shareholding Agreement) on matters affecting the issuance and offering of securities or the management of the Company where the agreement is signed by a Company.

Top 10 major shareholders

The top 10 major shareholders with number of shares held and share ratio as of February 29th, 2024

| No | Shareholder List | Number of Shares | Share ratio (%) |
|----|---|--------------------|-----------------|
| 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. | 12,976,900 | 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) Mr. Pornchak Manutham | 1,000,000 | 0.93 |
| | 2) Mrs. Pakrampai Wattanakul | 1,341,200 | 1.25 |
| | 3) Ms. Chanchai Manutham | 934,500 | 0.87 |
| | 4) Ms. Chamaiporn Manutham | 32,900 | 0.03 |
| 7 | Mr. Prakasit Phornprapha | 1,504,700 | 1.40 |
| 8 | Mr. Chatchai Srivattanaviboon | 1,262,100 | 1.17 |
| 9 | Thai NVDR Company Limited | 449,430 | 0.42 |
| 10 | Mr. Khajornkiat Ungaram | 433,300 | 0.40 |
| | Total shares held by top 10 shareholders | 97,145,550 | 90.26 |
| | Minority shareholders | 10,479,450 | 9.74 |
| | Total | 107,625,000 | 100.00 |

Source: Thailand Security Depository Co., Ltd. as of February 29th, 2024

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

1.5 Issuance of other securities

- None

1.6 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 of company.

However, such dividend payment is subjected to change. It depends on the operating results, financial liquidity, economic conditions and the necessity to allocate them as working capital for business

management and future business expansion. The resolution of the Board of Directors approving the payment of dividends must be presented for approval at the shareholders' meeting unless it is an interim dividend payment that the Board of Directors can approve the payment of interim dividends and report later to the shareholders' meeting.

| Dividend Information | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Interim Dividend (Baht per Share) | 0.35 | - | - | - | - |
| Annual Dividend (Baht per Share) | - | 0.441 | 0.291 | 0.346 | 0.412 |
| Earnings per share (Baht per share) | 1.29 | 1.47 | 0.91 | 1.02 | 1.14 |
| Dividend payout ratio (%) | 27.13% | 30.00% | 32.06% | 34.04% | 36.04% |

Remark: * The annual dividend was approved in the Annual General Shareholders' Meeting held in the year after the year indicated in the above table, except for 2023 which is uncertain. At the time of reporting, it is the proposal from Board of Directors' Meeting No.1/2024 on February 13, 2024 to be proposed to the Annual General Shareholders' Meeting.

2. Risk Management

In the Company's business operation, there usually are risk factors — both internal and external risks — that might affect the Company's financial position and performance. Therefore, to achieve the operational objectives and sustainable growth, the Company recognizes the importance of enterprise risk management to manage risk according to the good corporate governance principles. The Management has appointed the Risk Management Committee composed of executives from internal departments. The Management monitors the operating result and activities of the Committee on a monthly basis, allowing the Company to promptly devise plans to manage any potential risks that are possible to occur.

2.1 Policy and Risk Management Plan

The Company has defined policy and risk management plan that focuses on strengthening management of risks with a systematic approach of risk management procedures. This allows the Company to conduct effective risk management, from which overall risks would be controlled and fall into an acceptable level. The risk management process is comprised of the followings:

- **The prescription of risk management policy:** The definition of scopes, responsibilities, and risk management guidelines to be in line with the Company's strategies and corporate goals.
- **Risk identification:** The identification of all risks that are possible to occur and affect the Company's ability to achieve its objectives. The identification of risks is based on internal and external factors associated with the Company and covers strategic risks, operational risks, financial risks, compliance risks and emerging risks.
- **Risk assessment:** The assessment of potential risks conducted on the basis of addressed criteria concerning the risk likelihood and the impact on the Company's ability to accomplish the objectives in case such risk occurs. It is aimed at prioritizing risks and determining the process to handle such risks.
- **Risk Mitigation:** The essential process of designing risk management plan aimed at reducing the likelihood of a risk happening or the impact should it occur, bringing risks down to a tolerable level.
- **Risk Monitoring:** The process which tracks the results of risk management as addressed in the plan. This also includes the evaluation on risk mitigation to ensure that the right and appropriate responses are being implemented. The Management is responsible for monitoring and reporting the results to the Audit Committee, Risk Management Committee and the Board of Directors for acknowledgement.

2.2 The Company's Business Risk Factors

In 2023, the Company faced some significant business risks which might affect performance, financial position or its operating results in the future. In addition to the factors addressed in this report, there might be other risk factors unknown to the Company or being determined as insignificant, all of which are possible to become significant factors in the future. Nonetheless, the Company has categorized business risk factors based on Sustainability (Environmental, Social, and Governance and Economics: ESG) into 5 groups: strategic risk, operational risk, financial risk, compliance risk, and emerging risk. The details are summarized as follows:

| Risk Category ESG | Strategic | Operational | Financial | Compliance | Emerging |
|--|--|---|--|---|------------------------------|
| E (Environmental) | | f) Risk from Management of Environment and Safety at Work | | | o) Climate Change Risk |
| S (Social) | | | j) Human Rights Risk | n) Risks associated with the compliance with the Personal Data Protection Act | |
| G (Governance and Economic) | a) Risk from technological advancement involving the transition to EVs b) Risk from intense competition c) Risks from reliance on the joint- venture d) Risks from reliance on a small number of customers | e) Risk from raw material price fluctuation g) Risk from natural disaster h) Risk from cyber security threats i) Risk from corruption | k) Risk from income and expenses in foreign currencies l) Risks from offering credits to local customers | m) Risks associated with the compliance with existing laws and new laws going into effect | p) Geo- political Risk |

2.2.1 Strategic Risk

a) Risk from technological advancement involving the transition to electric vehicles (EVs)

Risk: At present, the trend of domestic development and manufacturing of electric vehicles (EVs) are rising under the government's investment incentives for the EV and EV-related parts industries. The aforementioned technological change would not significantly affect the Company's business in the short run as the change is still at the primary stage.

Risk management measures: In case the demand for the batteries increases significantly, the Company is allowed to purchase battery supplies from the parent company or affiliated companies which have invested in the manufacturing of EV batteries. The batteries will then be imported for local distribution.

| | |
|-------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Revenue and market share | Trending upwards. |

b) Risk from intense competition

Risk: The vehicle battery business is not complicated; and new operators have continuously been entering both local and international markets to grab shares. Their entries could be in the form of the

establishment of a factory for domestic sales, the import of batteries from foreign countries for sales in the local market or the offering of batteries at lower prices as means to gain more shares in the foreign market. These resulted in more intense competition and increased selling expenses which were caused by discounts and promotional plans to persuade customers to purchase the products. All of these factors contributed to the decline in profit, which affected the Company's performance as a whole.

Risk management measures: At present, the Company's products are generally accepted by customers in both the Original Equipment Market (OEM) and the Replacement Equipment Market (REM) as high-quality batteries. And the Company has prepared for more intense market competition with the following measures: (1) improving manufacturing technologies to stay up-to-date, (2) controlling wastes of production and reducing machinery waste in order to lower manufacturing cost, making the price competitive, (3) establishing development plans for new products to be introduced to the market, catering to customers' needs, (4) maintaining relationships with raw material suppliers and existing customers, as well as establishing trade agreements with some particular OEM clients, (5) seeking new sales channels through modern trade stores, (6) improving flexibility in production for the purpose of constantly responding to and catering to the needs of customers, (7) importing batteries from affiliated companies in order to offer more varieties of battery models to meet customers' demand, and (8) reducing prices of the products to make them more competitive against competitors, maintaining the Company's market share.

| | |
|------------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Revenue, expense, and market share | Trending upwards. |

c) Risk from reliance on the joint-venture

Risk: Risks from reliance on the joint-venture are categorized into 2 major aspects: technological aspect and marketing aspect.

In terms of technological aspect, the Company was granted with a technology transfer from GS Yuasa International Company Limited (GYIN) under the contract that outlines technical assistance in battery production as well as product development. The contract is valid on an annual basis. However, in the event of no renewal of technology transfer, the quality management of goods from production might be affected, possibly impacting the operating result.

In term of international 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, the Company requires the permission from GS Yuasa International Ltd. to avoid distribution conflict with "YUASA" affiliates in other countries. In 2023, the Company had continuously exported the products through GS Yuasa International Ltd. and the affiliates at total amount of 166.58-million-baht, accounting for 30.00% of the total exports or 6.42% of the Company's total sales revenue.

Risk management measures: The Company always recompenses in the form of royalty fee, pursuant to the agreement of providing technical assistance on battery production and development. The royalty fee is calculated by unit produced for all types and trademarks of conventional batteries 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 60 years. For limitation of overseas markets,

the Company can export to the countries not territorial to any “YUASA” affiliates. At present, some of overseas customers are in the countries outside the affiliates’ territory. With the advantages of the GS Yuasa network, the Company has a variety of battery suppliers for sales in all markets.

| | |
|---------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Business operation, and revenue | No change. |

d) Risk from reliance on a small number of customers

Risk: In 2023, even though the Company successfully added new customers for automotive battery OEM market, one of domestic customers possessed more than 90% of the total OEM sales of automotive batteries. Also, the sales of motorcycle batteries were generated from supplying to one group of OEM customers, both domestic and overseas, more than 50% of the total OEM sales of motorcycle batteries. Thus, in case that the customers cancel their orders, operating result will be impacted.

Risk management measures: The Company has 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 the parent company of the Company and the parent company of the customers and good relationship between the Company and the customers, there is low risk that the customers cancelled their orders. However, to diverse risk from relying on only one customer or a few, the Company tries to find new customers for automobile and motorcycle battery markets through developing new types of batteries in cooperation with GS Yuasa International Limited (GYIN).

| | |
|-------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Revenue | No change. |

2.2.2 Operational Risk

e) Risk from raw material price fluctuation

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 following the market condition, the operating result and financial status will be directly impacted. For year 2023, the Company purchased lead, the main raw material, totaling 1,062.01 million baht with the purchase of lead from foreign countries of 259.27 million baht or 24.41% of total lead purchase. For the pure lead price at London Metal Exchange (LME) which was the main raw materials for battery production, it fluctuates every year. In 2023, the average price of lead was at 2,137 dollars per ton, decreasing from the average price of the year 2022 by 17 dollars per ton or 0.8%. Considering the monthly average price, it was found that in the year 2023, the price fluctuated throughout the year with the highest price at 2,253 dollars per ton in September 2023, and with the lowest price at 2,036 dollars per ton in December.

Measure to manage the risk: The Company sets a measure to control usage and storage of lead in line with the working plan and production demand. Short-term agreements were entered into with several

suppliers. Also, the management follows up the operation of sales departments every month. In case that the fluctuation affects 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 for more than 60 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.

| | |
|-------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Cost | No change. |

f) 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 accidents at work from machine or other equipment 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, odor of gas generated from the incomplete burning in the lead smelting process 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.

Risk management measures: In terms of environment, the Company provided procedural treatment of waste incurring from the production process as well as continuous maintenance. 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 there might be the spread of lead powder. Efficient smelting system is provided to lower smell of gas incurred from the production. Equipment for noise protection is also prepared for the machines having noise louder than the legal standard.

Furthermore, in terms of safety at work and fire protection, the Company ran various procedures to ensure the employees' safety at work by warning employees to always be attentive as the Company believes that a second of carelessness may cause immeasurable damages. The Company also regularly conducts repair and maintenance on equipment to ensure that they are always ready for use, provides safety and emergency training, installs CCTV devices, schedules for emergency drills, and runs CCCF activities that require employees to participate. All of which are being accelerated to improve the areas where might be at security risks, reducing accidents in the manufacturing sites and ensuring employees' safety.

| | |
|--|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Corporate image, and safety & occupational health of employees | No change. |

g) Risk from natural disaster

Risk: The Company is located on a lowland that is not so far from the sea. It is at risks of the floods in the factory during the sea surge and heavy rains. This poses the possibilities on affecting the Company's assets and information technology system. Moreover, the humidity from the water impacts on the manufacturing process, especially the plates, one of the main raw materials of battery production.

Risk management measures: In the previous year, the Company has improved the factory's internal drainage gutter and the point of connection between the factory and external drainage gutter continuously. The Company has also improved the piping system on the factory roof to efficiently drain the rain water in the rainy season. Furthermore, sandbags and water pumps are prepared during the rainy season for faster drainage inside the factory. Additionally, in the production sites and machinery areas on the lowland and the floodplain, the company has prepared and improved the placement of machines and drainage gutter in those areas. In terms of IT system, the Company has prepared the database backup system to avoid data damage or in case of damage, the data can be recovered. The system is installed on the 2nd floor of the office building, helping prevent damages from floods or natural disasters in another way.

| | |
|-------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Business discontinuity | No change. |

h) Risk from cyber security threats

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 data derived from usual usage or any disasters, risks from computer virus and risks from cyberattacks. All of these could slow down the business operation.

Risk management measures: The Company has set up IT system security. The computer servers and the programs were regularly checked and maintained. The firewall was created as fundamental prevention measure, allowing only authorized persons to access to the Company's IT system. In addition, the anti-virus programs were installed in all of the Company's computers. All the employees were required to input their passwords for logging in to prevent against unauthorized access. For prevention against the damage of the data 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.

| | |
|-------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Business discontinuity | No change. |

i) Risk from corruption

Risk: The Company is committed to operating the business with honesty, integrity and transparency under the Good Corporate Governance policy and recognizes the importance of strong internal control. The Company formulates the anti-corruption policy as well as corporate governance and business code of conduct, which are disclosed for the acknowledgement of all relevant stakeholders who are required to follow the code of conduct strictly.

Risk management measures: Apart from compliance with the anti-corruption policy and business code of conduct, in order to prevent the occurrence of such risk in the organization, the Company has developed a thorough and proper internal control framework which comprises auditing and monitoring of operations by the Internal Audit Department. The awareness of anti-corruption principles is also established among the Company's employees.

Furthermore, the Company has defined the whistle-blowing measures that allow all relevant stakeholders to express their concerns and monitor corruption-related problems and behaviors in order to examine the matter more comprehensively and thoroughly. Whistleblowing can be done via the Company's website www.yuasathai.com under the "Whistleblowing" section or via email to the Legal Department or the Human Resource Department at peerasak@yuasathai.com or nattapat@yuasathai.com.

| | |
|---|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Financial position, and corporate image | No change. |

j) Human Rights Risk

Risk: As a manufacturer and distributor of batteries, it is necessary for the Company to employ workforces in the factory. As such, the Company might be exposed to human rights risk, e.g., employment conditions, employees' health and safety, personal data breach, restrictions on freedom of expression and communication, community safety and security and the employment of illegal workers in supply chains. This leads to the Company's recognition on the importance of auditing in order to prevent human rights violations in the group of individuals who are involved in the supply chain.

Risk Management Measures: The Company respects for human rights and complies with the corporate human rights policy with the purpose of protecting employees, customers, trade partners, creditors, shareholders and the community in which the Company operates — all parties throughout the supply chain — against human rights violations. The Company has also conducted Human Rights Due Diligence process with the establishment of a complaint channel through which employees can submit suggestions and complaints or the so-called "Red Cabinet." In the previous year, however, there had been no human rights violation caused by the Company's business operation.

| | |
|--|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Corporate image, and penalty from regulators | No change. |

2.2.3 Financial Risks

k) Risk from income and expenses in foreign currencies

Risk: The Company's business is involved with many types of foreign currency transactions such as the product exports and the materials imports, from which the Company is exposed to the risks associated with foreign currencies. As of December 31st, 2023, the Company's assets and liabilities in foreign currency, in Thai baht, were 78.46 million baht and 42.06 million baht, respectively.

Risk management measures: For international sales, the International Sales Department will make selling plans in Thai baht and set aside variance of 5-10% for currency fluctuations. The Company's executives has plan to revise the standard exchange rates which will be applied on the estimation of selling prices. Furthermore, in terms of debt repayment in foreign currencies, the Company has implemented strategies to prevent and mitigate risks from currency fluctuation.

| | |
|-------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Revenue, and expense | No change. |

l) Risk from offering credits to local customers

Risk: In the year 2023 Thai economic recovery has been decelerating following the global economy. Headline inflation became negative, partly resulting from the slow recovery. For the battery business, the Company's overall sales have continued to increase. Amidst this slow economic recovery, however, the Company is still at risk from offering credits to both local and foreign customers, especially if such existing or new customers fail to repay the debt.

Risk management measures: The Company has implemented measures to control risks with the stipulation of a proper credit control policy. In case of new customers, the Company will initially sell the products in cash, and later consider offering credits to such new customers, thus lowering the risk.

| | |
|-------------------------------|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Revenue | No change. |

2.2.4 Compliance Risks**m) Risk associated with the compliance with existing laws and new laws going into effect**

Risks: There are various laws, requirements and regulations associated with business operations issued by ministries, bureaus and departments. These include laws and regulations associated with SET-listed companies that the Company must comply with. If the Company fails to comply with the associated laws and regulations, exposure to risks is likely to occur.

Risk management measures: The Company always recognizes the importance of regulatory compliance associated with business operations. The Management has assigned the Legal Department to monitor relevant laws and make a legal register detailing related legislations. There is also the review on the amended laws and the evaluation of compliance being conducted with relevant departments, helping all departments in the organization comply with laws and regulations within the specified timeframe.

In addition, the Internal Audit Department has been assigned to compile, analyze and evaluate existing regulatory compliance associated with the Company's departments to check whether there are any non-compliances and take further actions to make them compliant with the laws.

| | |
|--|-------------------------------------|
| Possible impact from the risk | Change of risk level from Year 2022 |
| Business operation, corporate image, and penalty from regulators | No change. |

n) Risks associated with the compliance with the Personal Data Protection Act

Risk: The Personal Data Protection Act B.E. 2562 is a law that provides legal rights for the owners of personal data, subjects to create adequate data protection standards and ensure that personal data will be used to fulfill the purpose as permitted by the data subjects' consent. The law came into effect on June 1st, 2022. As the Company's business operation involves personal data of many stakeholders — namely customers, suppliers, and employees — the Company might be exposed to the aforementioned risk if it failed to comply with the law.

Risk management measures: The Company has established a working team responsible for delivering measures and monitoring regulatory compliance in the Company's operation, such as Personal Data Privacy Notice and the consent form for the use of data, the response actions towards data subject rights, the appointment of Data Protection Officer who is responsible for regulatory compliance and communicating with employees to promote data protection compliance.

In addition, the Company has assigned the Information Technology Department to provide backup systems along with the installation of firewall system and threat protection hardware equipped with monitoring and notification systems to ensure that there will not be the circumstances of data loss or the breach of data, protecting the Company's operation against associated risks.

| Possible impact from the risk | Change of risk level from Year 2022 |
|--|-------------------------------------|
| Corporate image, and penalty from regulators | No change. |

2.2.5 Emerging Risks

o) Climate Change Risk

Risk: Thailand is at high risk of being impacted by the change in climate. The German Watch Global Climate Risk Index 2021 ranked Thailand's long-term climate risk index as 9th in the world. It was forecasted that the risk for Thailand could be escalated in the future with the possible impacts such as major flooding, forest fire, severe drought or heat wave. Thailand therefore has joined forces with the international community, announcing a plan to pursue a net-zero greenhouse gas emission target by 2065. Such development was a factor in the identification of climate change issue as emerging risks and caused the Thai government to adjust policies, including the issuance of new laws relating to climate change and revision of National Energy Plan, in order to ensure that relevant operations are in line with the target.

The Company's business is likely to be impacted by climate change as natural disasters may cause damages to properties or products, and transportation or production could be affected by disruption of supply chain. The change in laws and regulations by the government to control greenhouse gas emission may also result in higher operating cost, or the shift in consumer behaviors towards environmental-friendly products might be a factor impacting the Company's revenue.

Risk management measures: The Company has implemented measures in 2 aspects: mitigation and adaptation. In order to mitigate the risk, the Company aimed at reducing carbon emission from business operations by energy saving measures and utilization of renewable energy, the benefit of which also includes production cost reduction. In case of the occurrence of impact, the Company also prepared to adapt to it by means of improvement of infrastructures or development of business continuity plans. Additionally, the list of greenhouse gas emission is being prepared for Scope 1 and Scope 2, which could lead to long-term quantitative target setting.

p) Geopolitical Risk

Risk: the risk associated with wars, terrorist acts, political changes, and tensions between states could affect the normal and peaceful course of international relations such as by limiting international trade activities, shifting manufacturing bases, causing rise in production cost, or impacting international investment. The Company might be affected by such risk, for instance, in case of a disruption of supply chain or policy trade barriers. It was also found that there was geopolitical variance recently, that a small political group or country can cause an unexpected level of impact to the global supply chain.

Risk management measures: The Company places emphasis on the constant monitoring and evaluation of situation that might affect the business, e.g. from network of customers in foreign countries, as a preparation in case strategies or action plans would need to be changed. Moreover, there has been continuous attempt in expanding sales to new foreign markets as alternatives of sales channels.

3.1 Overview of Policies and Goals for Sustainability Management

The Company is determined to develop and operate the business to create sustainable growth for the organization according to the vision, mission and values of the organization. The Company has planned and formulated the policies for personnel management and development in accordance with the goals, and the corporate strategy, and proceed in the same direction.

The Company has established a corporate sustainability framework as a guideline for the sustainable operations. The topic of the sustainability that stakeholders give importance to is introduced as a topic of the sustainability which is important to the organization. It covers Environmental, Social, and Governance (ESG). Not only is the Company committed to excelling the business, but is also taking part in community and social care as well as environment conservation, satisfying all stakeholders with the adherence to the corporate governance and good governance principles. The Company also adopted the United Nation's sustainable development goals as part of its business direction plans.

Administrative Roadmap

In this regard, the sustainability framework established through management consideration is approved by the management of the organization. It is used to define an action plan which will be reviewed regularly. Such action plan is applied as a guideline for the Company's operations. This sustainability framework and sustainability action plan are the important guidelines in driving the organization towards the sustainable development. The operation of which will be forwarded to the Board of Directors for approval.

Such sustainability guidelines had been specified as the roadmap that is in line with the sustainable strategy. It has also been applied onto the details of activity plans and used as a key performance indicator whether the activities are progressed as planned.

Sustainability management goals

The Company has set sustainability management targets in 4 dimensions — the sustainability management in the dimension of corporate governance, the sustainability management in economic dimension, the sustainability management in environmental dimension, the sustainability management in social dimension, and the sustainability management in energy dimension — by developing a customer-centric comprehensive engagement framework aimed at creating shared value from the perspective of stakeholders, advancing towards the value-added process for safe, eco-friendly business and product development. The Company is forging ahead with an aim to become a low-carbon business through the Sustainable Development Roadmap.

Table: Goals in the economic dimension, social dimension, environmental dimension and energy dimension, 2019–2023

| Dimension | Goals | 2019 | 2020 | 2021 | 2022 | 2023 | Indicators |
|---------------|--|-------|-------|-------|-------|-------|--|
| Economic | Growth from sales revenue (%) | 5-10 | 5-10 | 5-10 | 5-10 | 5-10 | Growth percentage from the previous year |
| Social | Creating safety work atmosphere, reducing absence due to occupational accidents (time) | 0 | 0 | 0 | 0 | 0 | Number of accidents led to absence |
| | Lead-in-water management after wastewater treatment (mg/liter) (Standard of no more than 0.2 mg/liter),) | <0.10 | <0.10 | <0.10 | <0.10 | <0.10 | Lead-in-water content after wastewater treatment |
| Environmental | Greenhouse gas emission reduction (%) | 2 | 2 | 2 | 2 | 2 | Percentage of greenhouse gas emission |
| | Reduction of public water usage in production (%) | 3 | 3 | 3 | 3 | 3 | Percentage of water usage in production |
| Energy | Reduction of electricity and LPG usage (%) | 2 | 2 | 2 | 2 | 2 | Percentage of electricity and LPG usage |

3.2 The Management of Impact on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

Nature of business in brief

The Company is the manufacturer, importer and distributor of automobile batteries, motorcycle batteries, power supply batteries and industrial batteries for customers in the domestic REM, OEM and export markets. The production is facilitated with technology transfer from GS Yuasa International Ltd., Japan (GYIN), the joint-venture responsible for product development. The raw materials and production supplies are procured from both domestic and foreign supplies. Apart from production by its own factory, the company imports batteries, such as power supply batteries and industrial batteries, for both domestic and international sales. The Company also has the Customer Service Department in charge of offering after-sales services on both products and distribution, defected product claims and complaint and suggestions; all of which will be used in the improvement of the Company's operation.

Main activities

Business value chain

| Production management | Actions | Product distribution and services | Marketing and sales | After-sales services |
|--|--|---|---|---|
| Trade partners (Suppliers of raw materials, supplies and domestic and foreign batteries) | Process of production, shipment and distribution | | | - Customers Automakers and domestic and international battery distributors |
| - Supplying quality materials and batteries in a timely manner | - Product development and research - Effective manufacturing procedures - Quality control and inspection as prescribed in the standards - International standard certification - Regular training for employee development | - Domestic and international sales channels: automakers and motorcycle makers and automotive battery sellers - Punctual shipment and distribution of quality products - Other service systems, both sales and services, through the Customer Service Department | - Regular product training and seminar that offers accurate product details for customers - Sharing new product knowledge through a variety of media - Reasonable, competitive pricing strategy | - Product and satisfaction warranty - Comprised of department responsible for customer complaints which will be considered for further related actions - Accepting comments and surveying customer demand periodically, from which the information will be used in the improvement and development of more effective operations and manufacturing |

Support Activities: These support activities drive the Company's main activities towards continual and effective operations. They consist of human resources management, procurement, technological development for products and services and Company's infrastructure.

3.2.2 Analysis of stakeholders in business value chain

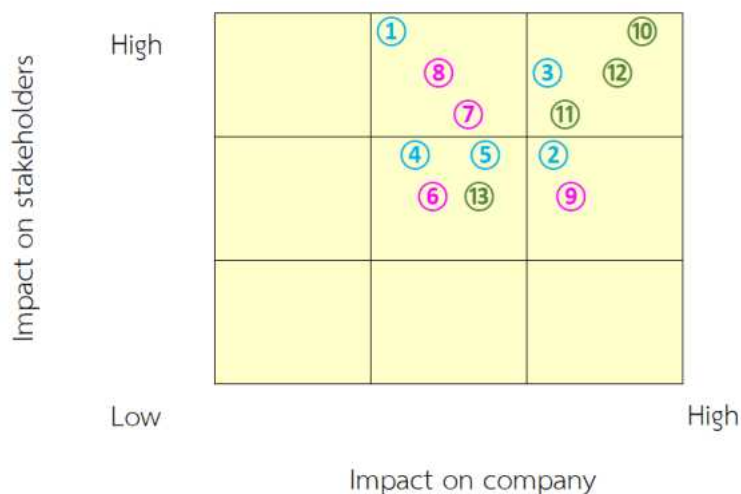
The Company has defined significant stakeholders consisting of primary stakeholders — customers/trade partners, contractors, suppliers/ employees and shareholders/financial institutions whereas secondary stakeholders are communities/society and government agencies/public organizations. The Company has established plans for stakeholder engagement and reviewed channels to appropriately communicate stakeholders' expectations and concerns throughout business value chain, allowing stakeholders to engage and provide suggestions.

In 2023, the Company evaluated the stakeholders' expectations through the hearing process, satisfaction surveys and meetings to learn about both positive and negative effects and issues associated with the Company and stakeholders. The Company has determined channels and guidelines to satisfy the aforementioned expectations. The details are as follows:

| Stakeholders | Communication channels | Expectations | Actions |
|--------------|--|---|--|
| Shareholders | 1. Annual Shareholders Meeting 2. 56-1 One Report 3. Investor relations 4. website : yuasathai.com 5. E-mail: company_secretary@yuasathai.com | 1. Continuous growth in performance 2. Return from investments 3. Good governance management 4. Up-to-date and transparent information | 1. Complying with good governance code 2. Improving communication channels for shareholders and institutional investors |
| Customers | 1. Customer satisfaction survey 2. Customer Service 3. website : yuasathai.com 4. Advertisement 5. Facebook : Yuasa club 6. Instagram : YUASATHAI | 1. Products with community, social and environmental responsibilities 2. Good quality with reasonable prices 3. Product safety and services 4. After-sales services 5. Easy and convenient access to products and services 6. Concise product communication 7. Complaint handling | 1. Producing, importing and selling quality, standard and safe products 2. Improving sales and service channels 3. Managing complaints with fast and effective actions 4. Offering equitable before- and after-sales services |
| Employees | 1. Complaints submission via Company's complaint box 2. News and information via internal announcement and Intranet | 1. Reasonable salary and benefits 2. Good quality of life and occupational safety 3. Career path and stable job 4. Skill, knowledge and capability development for work 5. Treating employees with human rights principles | 1. Organizational engagement activities 2. Stability and growth opportunity in career path 3. Fair compensation and decent benefits 4. Good and safe work atmosphere 5. Being trained in skills related to areas of work |

| Stakeholders | Communication channels | Expectations | Actions |
|---------------------------|---|---|---|
| Trade partners /creditors | 1. Business policy and ethics 2. website : yuasathai.com 3. Visit trade partners for evaluation 4. Contact through Purchasing Department | 1. Transparent and fair trade 2. Reasonable price comparison 3. Development and support for trade partners 4. Compliance with terms and conditions specified in contracts and agreements | 1. Running business with morals and ethics 2. Jointly develop and improve quality 3. Treat all trade partners equally 4. Clearly-defined procurement process 5. Compliance with trading terms and conditions 6. Creating legally valid and transparent contracts |
| Competitors | 1. Business policy and ethics | 1. Fair competition 2. Non-violation of intellectual properties | 1. Running business with morals and ethics |
| Community and society | 1. Contact Operation Department 2. website : www.yuasathai.com | 1. Running business with safety and social responsibilities 2. Community engagement and support 3. Community development 4. Employing community members | 1. Participating in activities that promote community culture 2. Promoting career opportunities of community members and employment in the communities 3. Accepting feedback from community members 4. Conserving significant ecosystem of communities surrounding the Company |
| Government agencies | 1. Contact Operation Departments or other relevant departments 2. website : www.yuasathai.com | 1. Supporting and complying with all rules and regulations 2. Participating in activities held by government agencies | 1. Complying with relevant laws 2. Participating in activities as requested |

Results of ESG Materiality Assessment in 2023



Economic dimension

1. Corporate governance
2. Innovations and technologies
3. Products and services
4. Supply chain management
5. Customer relation management

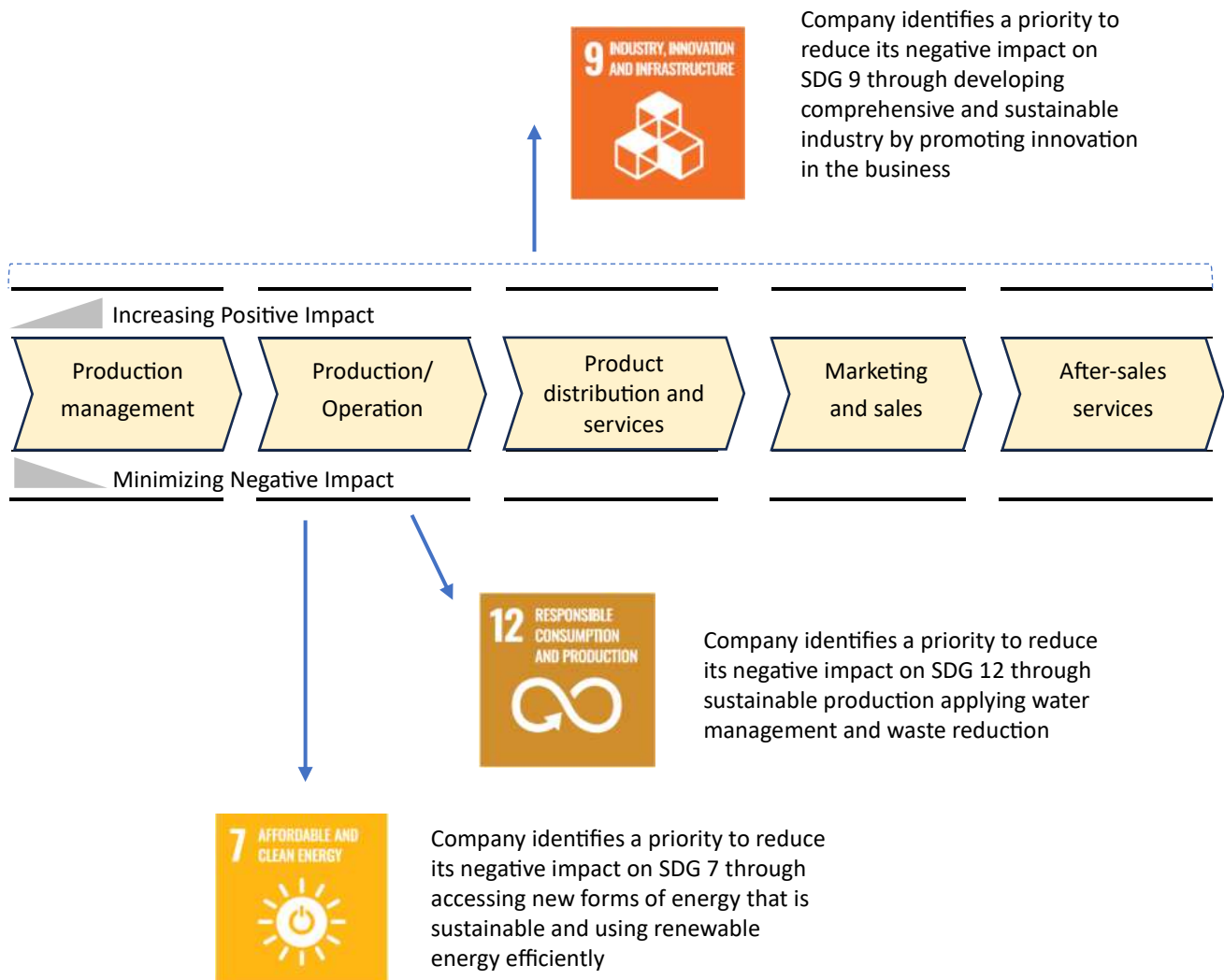
Social Dimension

6. Human rights
7. Human resources management
8. Occupational health and safety
9. Social support and development

Environmental dimension

10. Energy management
11. Water management
12. Waste management
13. Greenhouse gas reduction management

Based on the result of the evaluation of impact on the Company and impact on the stakeholders, the most important and impactful factors can be visualized on the business value chain according to the Sustainable Development Goals (SDGs) as follows:



* details of overall business operations that support the SDGs are provided in section 3.6.

From the ESG materiality assessment, the Company has classified the issues and formulate sustainable strategies consistent with the Company's strategies, which cover the following dimensions:

3.3 Sustainable management in economic dimension

1. Corporate Governance

Commitment

The Company believes that to grow sustainably, the Company must operate on the basis of corporate governance principles, transparency, integrity and accountability. The Company, therefore, established the Code of Conduct and anti-corruption policy which are primarily aimed at encouraging directors, executives and employees of all levels to adhere to and comply with. The Company also respects the rights of all stakeholders.

Management roadmap

The Company promotes the compliance with the Code of Conduct and anti-corruption policy as part of regular operations that must be adopted by the entire organization. The Company urges all employees to always be aware of working by complying with relevant laws and regulations by communicating through new employee orientation, internal communication channels and the Company's website.

Performance of 2023

1) The Annual General Shareholders' Meeting 2023 has been rated "Good" for the third consecutive year, reflecting the Company's commitment to complying with the Good Governance principles, which express concern on rights and equality of all shareholders.

2) The Company did not receive any complaints or disputes about business ethics.

2. Innovations and technologies

Commitment

The Company is committed to operating modern business with the utilization of innovations and technologies in enhancing effectiveness in business operations, leading to the new business development.

Management roadmap

The Company has established an information technology policy aimed at creating service innovations, improving services to effectively cater to the needs of customers. The Company also reinforces business competitiveness and the development of information technologies for employees.

Performance of 2023

A. Improvement of battery claim system project: is aimed at accelerating battery claim, from which customers can check the latest status of claiming process, creating customer satisfaction. In 2023, the Company has improved system for claim result checking, and planned to improve the part of claim receiving as the next step.

B. Enterprise Resource Planning system project: The Company is in process of improving the Enterprise Resource Planning (ERP) system to increase efficiency in managing organizational processes such as supply chain management, production, service, finance and accounting and others towards automation and less time consumption.

C. E-Learning: in order to add more learning channels for employees, the Company has developed online training system covering courses in various topics e.g. anti-corruption principles, cyber security, and battery technical knowledge.

D. Online Leave system improvement project: The Company developed an online leave system in 2022 which allows employees to check their leave days and facilitates employees in taking leave. It also helps cut cost of paper used in the leave process. In 2023 it had been expanded to include subcontract employees.

3. Products and services

Commitment

The Company is committed to managing the offering of products and services to effectively cater to the needs of customers. The actions include manufacturing a wide variety of products to meet the demand of customers, developing quality products and designing attractive packages with accurate and complete usage instruction of batteries and boosting product delivery efficiency.

Management roadmap

The Company is committed to manufacturing quality products and offering services to meet the standards with reasonable prices under changes of lifestyle in which products and services are more likely to be purchased online, the trend of eco-friendly product usage, and the fast-approaching ageing society. The Company also improves the quality of the delivery service to effectively respond to the demand of customers. In addition, the Company recognizes the importance of safety and quality of products sold to customers. The Production Department regularly inspects the production quality and is also responsible for requesting product certification from government agencies, such as the Thai Industrial Standards Institute.

Performance of 2023

The Company has introduced a new product to meet the need of customers in other groups, in addition to the existing customer base. In 2023 the revenue generated from sales of this model of motorcycle battery amounted to 1.7% of total sales revenue in the Replacement Equipment Market (REM) where it is sold. Marketing of the product to increase awareness is in plan.

4. Supply Chain Management

Commitment and management roadmap

Procurement is an important process in determining the cost and quality of products and services that the Company will use in its operations. Therefore, the process must be implemented to maximize the Company's benefits. It must be carried out with fairness, rationality, transparency and accountability. In addition, it is necessary to focus on partners who are mutually beneficial and strengthening good working relationships with business partners on the basis of mutual respect and trust.

The Company recognizes the importance of the selection of suitable trading partners by ensuring that the selection process and treatment of trading partners are equal and fair. The Company is aware of taking part in the responsibilities and building good relationships with society, communities, the environment as well as manufacturers and contractors ("trade partners") who have always supported the

vision and aims of the Company. To demonstrate the commitment to sustainable business operations, the criteria are specified as follows:

- They have reliable financial profile and potential to grow together with the Company in a long run
- There is a production process that takes into account society and the environment and complies with legal requirements, such as non-violation of human rights, no employment of illegal workers and process that is harmless against the environment.
- They produce and distribute high-standard products of which quality can be inspected.
- They are able to deliver the products under the agreed quantity and timeframe.

Trade partner risk assessment

The Company analyzes information of the trade partners based on required information, such as the number of trade partners, types of products purchased, purchasing value and the locations of the trade partners. Once obtained, these collections of information will be analyzed to figure out working process and risk management in the supply chain.

Trade partner information

| Product sources | 2022 | | 2023 | |
|-----------------|-----------------------|-----------|-----------------------|-----------|
| | No. of trade partners | Rates (%) | No. of trade partners | Rates (%) |
| Domestic | 330 | 92.96 | 350 | 93.33 |
| International | 25 | 7.04 | 25 | 6.67 |

Source: The Purchasing Department, Yuasa Battery (Thailand) PLC

In case where the trade partners fail to comply with the criteria, the Company will act upon the following measures: negotiating the solutions by defining the scope of the issues and clearly specifying the timeframe, issuing verbal and written warnings, terminating trade agreement and claiming for damages.

Trade partner assessment

The Company conducts an assessment of its partners to improve the quality of the trade partners. It will focus only on partners who sell the company's main raw materials, e.g., manufacturers of lead, battery containers, separators and acid fluid. However, in terms of secondary trade partners, the Company will assess their performance from time to time. The criteria for the selection of trade partners for assessment are as follows:

- New trade partners: The Company will conduct an assessment on the trade partners every time prior to trading with them.
- Existing trade partners: Two criteria are:
 - In case of defected products: The Company will assign the responsible departments to conduct an assessment immediately after finding the defect and seek further solutions, and;
 - In regular cases: The Company will ask the trade partners to conduct an annual self-audit with criteria specified by the Company.

Performance of 2023

The Company conducted an assessment on trade partners according to the specified criteria. All trade partners passed the assessment.

Credit Term Policy

The Company places importance on liquidity and cashflow management. The criteria and credit term procedures for trade partners are specified, and credit term is usually ranging from 30–90 days. The credit term given depends on several factors, such as business terms together with trade value between the parties. The details of actual credit term given by the Company on an average are as follows:

| Item | 2021 | 2022 | 2023 |
|---------------------|---------|---------|---------|
| Average Credit Term | 58 days | 54 days | 56 days |

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

5. Customer relations management

Commitment

The company is committed to conducting business with integrity, taking into account the highest customer satisfaction. The company requires the employees to provide information about products and services truthfully without concealing any essential information that might lead to misunderstanding which affects customers' decision making in purchasing products.

Targets

- Indicating from improved customer satisfaction in terms of both products and service

Management roadmap

- 1) Building engagement and relationship with customers in a continuous basis by reaching to and responding to their needs effectively;
- 2) Committed to delivering quality products and services to build good customer experiences
- 3) Surveying customer satisfactions and adopting the results in the development and improvement of products and services on an annual basis
- 4) Developing online sales channels to offer easier and more convenient access to customers

Performance of 2023

1. Responsibilities towards customers

- The Company is committed to conducting fair marketing by requiring employees to provide information about products and services truthfully without concealing essential information that might lead to misunderstanding which affects customers' decision making in purchasing products.

- Employees must advise the customer on the use of the products and the risks that may arise from its use, along with how to prevent potential harm.

- The Company provides after-sales service by providing a period of time to receive product claims in case of product defection within 1 year from the date of purchase from the Company. However, in case the end-users find any problems, they must notify the store where they bought the products in order for the store to forward the issue to the Company.

2. Customer satisfaction

The Company has a customer satisfaction survey process as well as a process of giving and receiving customer feedback, of which results will be adopted in the continuous enhancement of products and services as well as the Company's business operations. These are aimed at building impressions and customer satisfactions, encouraging customers to always keep coming back regularly.

In 2023, the Company surveyed about customer satisfaction in the domestic replacement market in 5 aspects, namely products and packaging, sales, delivery, marketing and after-sales services. Customers' overall satisfaction is in the range of 70-79% or "Good." From the results of the survey, the company has brought further improvements to the work of the relevant departments. In terms of complaints, there had so far been no complaint reported.

| Customer Satisfaction Aspects | Unit | 2021 | 2022 | 2023 |
|---------------------------------|------|------|------|------|
| 1. Batteries and packaging | % | 64 | 78 | 74 |
| 2. Sales | % | 70 | 85 | 85 |
| 3. Delivery | % | 65 | 77 | 76 |
| 4. Marketing and advertisements | % | 59 | 72 | 67 |
| 5. After-sales services | % | NA | 73 | 73 |
| Average | % | 66 | 77 | 74 |

Remarks: 80% or above refers to "Excellent" 70-79% refers to "Good"
60-69% refers to "Moderate" 59% or below refers to "Need improvement"

Source: The Customer Service Department, Yuasa Battery (Thailand) PLC

3. Privacy Policy and Guidelines

The Company established the Privacy Policy for customers, trade partners and employees for their acknowledgement of privacy notice, whether it be the collection, use or disclosure, to comply with the Personal Data Protection Act B.E. 2562 ("PDPA"). The policy also defines a code of conduct with strict measures to maintain security of personal data, ensuring that personal data of customers, trade partners and employees will be confidential. If the Company is to use the personal data, the Company will request for consent from the data subject before using the data lawfully as specified in the Company's Code of Conduct. The Company had monitored complaints expected to be filed in 2023, however, there had been no complaint regarding the breach of personal data of customers, trade partners and employees.

Statistics:

Security of personal data from the compilation of complaints regarding the breach of personal data

| Complaints regarding the breach of personal data | 2021 | 2022 | 2023 |
|--|------|------|------|
| Complaints regarding breach of personal data: customers | 0 | 0 | 0 |
| Complaints regarding breach of personal data: trade partners | 0 | 0 | 0 |
| Complaints regarding breach of personal data: employees | 0 | 0 | 0 |

Actions taken after an impact on personal data

The Company implements procedures to manage issues regarding breach of personal data through the Data Protection Officer. The officer is responsible for notifying relevant agencies, inspecting the root causes, identifying the causes(s) of the data breach, taking actions on the issues and reporting the results to the working team.

3.4 Sustainability management in social dimension

Social policy and practices

The Company realizes that respecting human rights is an important responsibility and associated with all stakeholders, whether it be customers, employees, shareholders, trade partners, creditors, communities related to the Company's business operation, etc. The Company has specified the human rights policy in consistent with municipal laws and international standards, such as the UN Guiding Principles on Business and Human Rights (UNGPs), which are adopted as practical guidelines for the organization. It is the responsibility of directors, executives and employees to acknowledge and follow the guidelines. The policy is published on the Company's website.

6. Human rights

Commitment

The Company supports and respects human rights according to international standards as basic rights, which are defined that "All members of the human family have the inherent dignity and are of the equal and inalienable rights." The Company adheres to treating all stakeholders equally without discriminations with the business objective of operating without violating human rights in every process.

Management roadmap

The Company has defined the human right policy in the business ethics handbook. The policy comprises of guidelines for stakeholder engagement, applicable on both internal and external stakeholders. Directors, executives and all employees are to adhere to the guidelines to ensure that the business will be operated with full awareness without any actions that may lead to the violation of human rights, whether directly or indirectly, by publishing the policy on the Company's website, internet communication and staff training, for their acknowledgement and practical adoption.

Performance of 2023

1) The Company does not conform to discrimination and offers equal employment opportunities. There is no discrimination against physical status, gender, race and religion. The Company encouraged and supported the employment of 2 people with disabilities.

2) The Company offers an opportunity for employees to gather and establishes the Welfare Committee and the Occupational Health and Safety Committee who represent the employees in negotiations and offer suggestions in various matters.

3) The Company screens and examines trade partners' human rights policy whether they operate the business fairly without violating human rights towards their employees.

4) The Company provides educational trainings focusing on human rights for all levels of employees for their understanding and participation in preventing violations of human rights in every Company activity.

5) There had been no complaints or legal disputes related to violations of human rights.

7. Human resources management

Human resources are an essential part of any business to achieve its goals and success. They also contribute to the competitive advantages and sustainable growth.

Procedures

The Company is committed to managing human resources based on the Good Governance principles by specifying human resources strategies, starting at recruitment process, human resources development and employee retention. The Company also supports employees with equal growth opportunity and career path regardless of gender, race and religion, committed to improving knowledge and capabilities and encouraging employees to have voluntary attitudes and contribute towards the society and the public as stipulated in the Company's human resources management policy.

1) Recruitment process

The Company must plan to recruit employees to support operations. The Company has specified the employment policy by promoting the employment of the residents of Samutprakan, supporting the development of the local economy and workforces. The Company also offers job opportunities for the underprivileged by joining forces with and supporting the employment policy of government agencies, e.g., the employment of people with disabilities. The performance results of 2023 include: -

Employment of Samutprakan residents

| Year | Samutprakan residents | | Non-Samutprakan residents | | Total | |
|------|-----------------------|-------|---------------------------|-------|-----------|------|
| | Headcount | % | Headcount | % | Headcount | % |
| 2021 | 274 | 42.28 | 374 | 57.72 | 648 | 100% |
| 2022 | 269 | 42.77 | 360 | 57.23 | 629 | 100% |
| 2023 | 273 | 42.92 | 363 | 57.08 | 636 | 100% |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

Employment of people with disabilities

The company places importance on and supports the employment of people with disabilities, complying with the Empowerment of Persons with Disabilities Act B.E. 2550 and Article 33 of its amendment (No.2) B.E. 2556. The Company offers careers and responsibilities that are suited with the workforces' capabilities and potential. The Company's employment of people with disabilities is defined as follows:

| Employment of people with disabilities | 2021 | 2022 | 2023 |
|--|-------------|-------------|-------------|
| Employment as permanent employments under Article 33 | 2 employees | 2 employees | 2 employees |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

Employee statistics as of 2023

| Headcount | Unit | 2021 | 2022 | 2023 |
|-----------|---------|------|------|------|
| Male | persons | 439 | 424 | 423 |
| Female | persons | 209 | 205 | 213 |
| Total | persons | 648 | 629 | 636 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

Employee ratio by age group

| Employees by age group | 2021 | | 2022 | | 2023 | |
|------------------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|
| | Headcount | % total employees | Headcount | % total employees | Headcount | % total employees |
| Below 30 years old | 86 | 13.27 | 73 | 11.61 | 64 | 10.06 |
| 30-55 years old | 538 | 83.03 | 527 | 83.78 | 550 | 86.48 |
| Above 55 years old | 24 | 3.70 | 29 | 4.61 | 22 | 3.46 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

Years of service

| Year of service | 2021 | | 2022 | | 2023 | |
|-----------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|
| | Headcount | % total employees | Headcount | % total employees | Headcount | % total employees |
| 0-5 years | 171 | 26.39 | 152 | 24.17 | 166 | 26.10 |
| 5-10 years | 201 | 31.02 | 177 | 28.14 | 135 | 21.23 |
| 10-15 years | 59 | 9.10 | 89 | 14.15 | 121 | 19.03 |
| Over 15 years | 217 | 33.49 | 211 | 33.54 | 214 | 33.65 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

2) Trainings and employee development

The Company places great importance on the development of employee potential, enhancing work effectiveness by selecting courses that are suitable with the nature of business and consistent with external factors that might affect the business at a particular period. For the previous year, the Company organized trainings for 331 employees, totaling 1,986 hours. Training costs totaled 1,281,799 baht. The details of training courses are as follows:

| Courses | Headcount | Total hours | Average hours/employee |
|--|-----------|-------------|------------------------|
| Building Mindset of Responsibilities | 87 | 522 | 6 |
| Responsibilities of Supervisors | 33 | 198 | 6 |
| Responsibilities management for work | 14 | 84 | 6 |
| Result-based Performance | 77 | 462 | 6 |
| Result-based Performance Techniques | 30 | 180 | 6 |
| Strategic Planning and Result-based Management | 17 | 102 | 6 |
| Being tactful at work | 22 | 132 | 6 |
| Techniques for being tactful at work | 25 | 150 | 6 |
| Tactful management | 12 | 72 | 6 |
| Working as a Team | 50 | 300 | 6 |

| Courses | Headcount | Total hours | Average hours/employee |
|--|-----------|-------------|---------------------------|
| Working as a Team for Organizational Development | 13 | 78 | 6 |
| Building Mindset and Teamwork | 6 | 36 | 6 |
| Building Employee Engagement | 17 | 102 | 6 |
| Building Employee Engagement for Supervisors | 21 | 126 | 6 |
| Strategies for Building Employee Engagement | 12 | 72 | 6 |
| Vision Development Techniques | 16 | 96 | 6 |
| Leading with Vision | 6 | 36 | 6 |
| Leadership Development for Supervisors | 17 | 102 | 6 |
| Leadership | 13 | 78 | 6 |
| Efficient Planning Techniques | 12 | 72 | 6 |
| Strategic Management and Planning | 12 | 72 | 6 |
| ISO 9001:2015 | 24 | 144 | 6 |
| ISO 14001:2015 | 21 | 126 | 6 |
| Safety for Electrical Work | 25 | 150 | 6 |
| Working at Height beyond 2 meters | 30 | 180 | 6 |
| Narcotics Prevention and Suppression | 45 | 270 | 6 |
| Forklift Safe Driving | 29 | 174 | 6 |
| Techniques for Working with Crane | 7 | 42 | 6 |
| Basic first-aid | 19 | 114 | 6 |
| Basic fire fighting Batch 1 | 15 | 90 | 6 |
| Basic fire-fighting Batch 2 | 11 | 66 | 6 |
| Lock out Tag out | 23 | 138 | 6 |
| Safety Supervisors | 7 | 42 | 6 |
| Safety Executives | 8 | 48 | 6 |
| Safety Executives for Japanese | 1 | 6 | 6 |
| Hazardous Chemical Leak and Spill Response | 16 | 96 | 6 |
| Train the Trainer | 18 | 108 | 6 |
| Battery Knowledge | 30 | 180 | 6 |
| Intermediate MS Excel | 20 | 120 | 6 |
| KPI development for efficient management | 195 | 1170 | 6 |
| English language (internal facilitator) | 39 | 234 | 6 |
| Operators of Waste Water Treatment, Air Pollution Treatment and Industrial Waste Management | 1 | 6 | 6 |
| Safety Standards and Risk Evaluation of Machines | 2 | 12 | 6 |

| Courses | Headcount | Total hours | Average hours/employee |
|--|-----------|-------------|------------------------|
| Labor Law update for Executives | 1 | 6 | 6 |
| Supporting programs for public and private sector to comply with laws in hiring people with disability | 1 | 6 | 6 |
| Safety for Machine Construction and Installation | 3 | 18 | 6 |
| Safety for Machine Construction and Installation – Team Leader Certification | 1 | 6 | 6 |
| English language (external facilitator) | 8 | 48 | 6 |
| Legal tips and solution guidelines | 1 | 6 | 6 |
| TFRS9 – Financial Instrument Calculation | 1 | 6 | 6 |
| AutoCAD 3D Version 2024 | 1 | 6 | 6 |
| Exercising Tax Incentive for business with investment promotion | 1 | 6 | 6 |
| TFRS 2023 update and interesting topics | 1 | 6 | 6 |
| Predictive Maintenance | 2 | 12 | 6 |
| HR Analytics and HR Report Visualization | 1 | 6 | 6 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

Total employees undergo trainings in 2021–2023

| Details | 2021 | 2022 | 2023 |
|--|---------|---------|-----------|
| Total employees undergo trainings | 138 | 271 | 331 |
| Total training hours (hours) | 828 | 1,626 | 1,986 |
| Training hours per employee (hours/persons/year) | 6 | 6 | 6 |
| Training and development costs (baht) | 356,628 | 561,490 | 1,281,799 |

Remark: An employee may undergo more than one training courses

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

3) Employee care

Employees are the main force in business growth and sustainability. The Company, therefore, places importance on employee care, encouraging loyalty and engagement among employees with the following employee retention schemes:

Performance of 2023

a) Employee compensation and welfare management.

The Company has established a compensation management and welfare policy for employees with fairness and without discrimination, in line with the economic situation and working areas, ensuring that employees receive sufficient compensation for their living. Apart from paying out higher average wages than the minimum stipulated by laws, the Company provides other welfares for employees, e.g., position

allowance, diligence allowance, provident fund, accident insurance, staff uniforms, employee welfare fund, hospitalized gifts, childbirth celebration gifts and funeral support expenses for employees and their family.

For employees whose years of service are over 5 years, the company will present awards to them for having helped drive the Company to its growth for 60 years. In 2023, total employees receiving awards gold rings, plaques, prize money and certificates were:

| Years of service | Number of employees | Award |
|------------------|---------------------|---------------------|
| 5 years | 16 | Certificate |
| 10 years | 51 | Plaque, prize money |
| 20 years | 19 | Gold ring |

Remark: Employees eligible for the awards must be the Company's employees on the day the award ceremony takes place. The years of service start at the first day the employees began working at Yuasa Battery (Thailand) PLC.

b) Flexible working hours: As employees may need to take time off work for private reasons, the Company has allowed office employees to have flexible working time from the core hours of 8.30 a.m.–17.30 p.m., and work extra hours after the regular core hours finish. In 2023, 35 employees participated in the scheme, accounting for 30.43% of the Company's total office employees.

c) COVID-19 Employee cares during COVID-19 outbreak

In 2023, even though the COVID-19 outbreak had been much relieved, the Company remained committed in providing employees safety and monitoring the situations continuously. The Company maintained employee care measures in the initial period of year, before relaxing the control in the second half. There were 53 infections in 2023 or 7.22% of total number of employees which is a significant reduction from the year before, when there were 627 infections. Details of care measures in 2023 are as follows:

Care measures for regular employees: The Company provided alcohol sanitizers and kept the common areas clean. The social distancing measure is applied on all activities in the Company's premises, such as dining areas in the canteen and work stations and holding a meeting through electronic means instead of an in-person meeting; all of which are aimed at preventing the spread of the virus.

Care measures for employees infected with COVID-19: The Company is concerned about employees infected with COVID-19 and never leave them behind. A working team had been established to closely monitor their symptoms until they were cured and able to resume their work. Leave days were not deducted for employees who had never been infected with the disease before.

d) Employee engagement

In 2023, employee turnover rates decreased from the previous year; around 5.66% of the employees resigned from the Company.

| Number of employees | Unit | 2021 | 2022 | 2023 |
|---------------------|------|------|------|------|
| Turnover rates | % | 4.94 | 6.52 | 5.66 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

8. Safety, occupational health and work environment

The Company is aware that good hygiene and safe work environment will help boost employees' effectiveness at work and increase confidence of all stakeholders. The Company recognizes the importance of the occupational health and work environment management, ensuring safety for employees and all stakeholders.

Commitment and goals

The Company is determined to run the operations without any accident with the "Zero Accident" target as a campaign aimed at raising employees' awareness of the importance, encouraging them to be always fully aware while working and not involving or causing any accidents that might lead to occupational injuries and illnesses. The targets set for each operation are as follows:

- Employee's fatal accident = 0 every year
- Employee's occupational illness and disease = 0 every year
- Lost time injury frequency rate (LTIFR) = 0 every year (targeted until 2025)

Management roadmap

The Company has specified a roadmap for safety management with the adoption of the safety and occupational health principles in the operation as follows:

- Complying with laws, rules, regulations and guidelines associated with health and safety, both the active ones and those soon to be in effect;
 - Assessing risks in all activities associated with work, e.g., fire, product storage, the use of machinery, forklifts, equipment, chemicals and electrical systems;
 - Stipulating appropriate safety measures and providing a complete range of safety equipment, ensuring that it is sufficient and always ready for use. Personal protective equipment (PPE) which comprises ankle braces, safety shoes, safety helmets, gloves and reflective vests have been prepared for employees. They are required to have the equipment on while working in the required areas.
- Building organizational safety culture, providing knowledge and cultivating awareness of health and safety among employees and stakeholders through various channels and activities — trainings, safety activities and media, etc., and;
- Establishing fire prevention and suppression plans in case of emergency and an annual fire drill which require all employees to participate

Performance of 2023

In 2023, there was no fatal accident and absence from accident reported.

| Rate of accident | Unit | 2021 | 2022 | 2023 |
|------------------------|----------------------------------|------|------|------|
| Injury rates | Case(s) per one million manhours | 0.00 | 0.80 | 1.37 |
| Occupational illnesses | Case(s) per one million manhours | 0.00 | 0.00 | 0.00 |
| Lost time injury rates | Case(s) per one million manhours | 0.00 | 0.00 | 0.00 |

Source: The Safety Department, Yuasa Battery (Thailand) PLC

9. Social support and development

The company is aware of the role of participation in creating value for society and expects to elevate the quality of life of people in the society and strengthen the local economy; all of which are being equally carried out with socially-responsible business operations on the basis of the shared-value creation among the stakeholders.

Management Roadmap

The Company encourages and supports the use of business protocols in the creation of values in the society and communities through a range of projects and activities, e.g., raising income in nearby communities and skill and knowledge enhancement project for college students. The Company also has treatment systems for various types of pollution, ensuring that they will not have any negative impact towards the quality of life of people in the communities surrounding the Company.

Performance of 2023

The Company contributes to the improvement of the quality of life of the communities and always promotes community engagement through donations of money, essentials and collaborative activities with both the public and private sectors. In 2023, the Company participated in various community activities.

The Company received no complaint associated with society and environment.

COMMUNITY ENGAGEMENT & DEVELOPMENT ACTIVITIES

Workforce Knowledge Sharing

: training for accident and injury-free workplace



Local Community Support

: Children's Day Presents Giveaway



: Mothers' Day Recreation Event and Sharing



: Buddhist Lent Day Traditional Offerings



: Songkran Water-Pouring Ceremony



: Drug-free Workplace Workshop



: Communication Sets Donation



Environmental Care

: Solar Cells Installation for Sai-ngam Village



: Waste Sorting Promotion

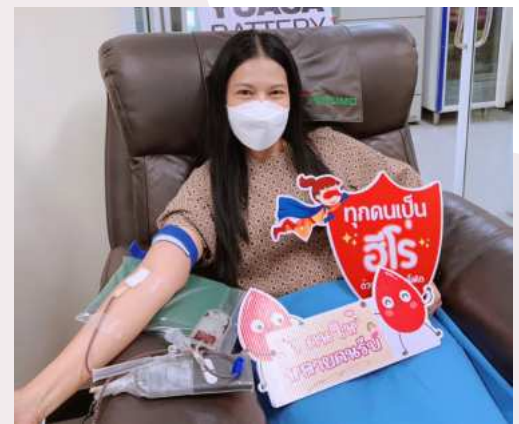


: Bangpoo Beach Cleanup



Charity Promotion

: YUASA Blood Donation 2nd Year



: Winter Clothes and Essentials
for Kids in Mountainous Districts



: Plastic Waste for Monastic Robes

Sport Skill Enhancement
: YUASA FOOTBALL INSPIRATION

Others

: Vehicle Battery Checkup



: Automotive/ Motorcycle Battery Knowledge Workshop



3.5 Sustainability Management: Environmental Dimension

3.5.1 Environmental policy and guidelines

The company focuses on business growth along with environmental management as the business may cause environmental impact or pollution. The company, therefore, has established an integrated environmental management policy and process, which comprises water management, waste and contamination management, greenhouse gas management, energy management, product responsibilities and effective use of resources.

The Company has defined the environmental policy as follows:

1. Strictly complying with laws, regulations and requirements associated with the environment;
2. Defining management plans to come up with preventive measures for environmental problems relating to water pollution, air pollution, waste, and noise to minimize the impact on environment. Periodical reviews are to be implemented as appropriate.
3. Encouraging the effective use of energy and natural resources, encouraging energy-saving and waste management activities through 3R (Reuse, Reduce and Recycle) with appropriate management measures;
4. Regularly and continually improving environmental management system to mitigate risks of environmental impact;
5. Publicizing this policy among the employees and stakeholders for their understanding and disclosing it to the public.

3.5.2 Environmental performance

a) Energy management

Commitment

The company is committed to conducting business together with efficient energy management which helps curb the impact on the environment with the implementation of the Sustainable Use of Resources principles. The Company also carries out the Climate Change Mitigation and Adaptation, which involves the improvement of work process, machinery and equipment in accordance with energy conservation efforts.

Management roadmap

- 1) Complying with requirements, laws and international standards
- 2) The Company continuously reduces diesel consumption by reducing the use of diesel forklifts and replacing them with electric forklifts. The move helps minimize diesel consumption and reduces combustion, which is another factor contributed to environmental impact. Diesel will remain in use only with the factory's fire pump systems.
- 3) The Company has established long-term plans to limit the use of LPG — the improvement of machinery for complete combustion, the replacement of furnace insulations to reduce losses of heat, etc.
- 4) The Company has improved and replace equipment of electrical, lighting and air-conditioning systems, both in the factory and the office, to reduce the use of public electricity. This also includes the regular repair and maintenance process in relevant electrical control equipment which helps minimize the use of electricity: the reduction of compressed air in air compressors, the installation of inverters in dust collectors and the replacement of all light bulbs in the Company with LED light bulbs, etc.
- 5) The Company continued to produce energy from solar power, to reduce the use of electricity.

Performance of 2023

In 2023, the rooftop solar panels were capable of producing 305,744 kWh of electricity, while the public electricity usage was 19,285,000 kWh. The solar panels helped save the electricity cost by 1,247,436 baht (calculated from the electricity cost of 4.08 baht/kWh).

In addition, the Company devised the grid furnace project with the improvement of insulations of six furnaces, minimizing the loss of heat in the production and reducing the heat in the work stations. This also helped save the use of LPG by 33,482 kg or 751,001 baht per year. (calculated from LPG price of 22.43 baht/kg)

The overall use of fuel and energy in 2020–2023 are as follows:

| Use of fuel and electricity | Unit | 2020 | 2021 | 2022 | 2023 |
|--|----------|------------|------------|------------|------------|
| Use of fuel : | | | | | |
| - Diesel (machines & equipment) | Liter | 825 | 80 | 40 | 40 |
| - Diesel* (vehicles) | Liter | n/a | n/a | n/a | 7,564 |
| - Gasoline* | Liter | n/a | n/a | n/a | 17,049 |
| - LPG | kilogram | 861,990 | 889,900 | 966,460 | 1,055,240 |
| Use of public electricity | kWh | 16,711,000 | 18,208,000 | 19,439,000 | 19,285,000 |
| Use of electricity generated by solar panels | kWh | 3,345 | 2,398 | 2,275 | 305,744 |

*data collection began in 2023

Source: The Environment and Energy Department, Yuasa Battery (Thailand) PLC

b) Water management

Commitment

The Company places importance on the efficient use of water. In all operations, the Company uses tap water and recycled water, recognizing the importance of water, conserving the resource and making the best use of it.

Management roadmap

The Company manages the use of water for washing and production in both the office and the factory. The Company strives to reduce the use of water, for which the Environment and Energy Department will inspect the water pipes, industrial cleaning equipment and water meters on a monthly basis and seek more utilizations of recycled water every year. For example, machinery that requires the use of tap water will use recycled water instead. In addition, in case where the improvement is needed or the Company is in need of using more water, water-saving devices will be used or installed — water-saving toilets, urinals, automatic taps, etc.

Furthermore, the Company has been operating the project aimed at reducing wastewater to be discharged to the environment. After treatment, the recycled water can be used for watering plants, cleaning the factory's floor or walkways, helping reduce the use of tap water. The details of water usage are as follows:

| Water usage | Unit | 2020 | 2021 | 2022 | 2023 |
|-----------------------|----------------|---------|---------|---------|---------|
| Use of tap water | m ³ | 154,840 | 151,464 | 168,094 | 173,277 |
| Use of recycled water | m ³ | 56,210 | 50,498 | 70,818 | 93,434 |
| Total water usage | m ³ | 210,050 | 201,962 | 238,912 | 266,711 |
| Discharge of effluent | m ³ | 56,210 | 60,301 | 67,237 | 75,649 |

Source: The Environment and Energy Department, Yuasa Battery (Thailand) PLC

Performance of 2023

In 2023, the Company's use of tap water accounted for 64.97% of the total use of water. The Company has planned to reduce the use of tap water and use more of recycled water in production process. There will also be the regular repair and maintenance process and inspection of the Company's water systems — both in the production process and the office — and make sure that they meet the standards. In terms of the office building, water-saving sanitary wares will be installed.

Moreover, the Company has an effective management of wastewater. In 2023, treated wastewater discharged accounted for 28.3% of the total water usage. Treated wastewater reused in the production process, sanitary and building facilities amounted to 93,434 m³.

c) Garbage, waste and pollution management

Commitment

The Company has a policy to appropriately and systematically manage garbage and waste in the factory. The disposal has no effect on the communities and environment, while the principles of which comply with the laws. Garbage and waste are from the production, operations and the employees. The Company is committed to reducing the disposal of garbage, waste and pollution from production and other operations.

Management roadmap

The Company has clear methods of garbage and waste sorting. Garbage and waste are divided into 5 categories: material waste, general waste, organic waste, industrial waste and infectious waste. The details and management of these garbage and waste are as follows:

- **Material waste:** Waste and rubbish that are from the Company's operation. They are product boxes and cartons made of cardboard paper or wood, plastic cable ties, iron tie wire, plastic paint buckets and scrap metal. The Company will sell this type of waste to the local scrap buyers and organizes price bidding every month.
- **Organic waste:** Organic waste is leftovers from the canteen, which usually come in a small quantity. The Company will sort the leftovers and provide for employees who want them for pet food or the making of organic fertilizer. The rest of the waste will be disposed of separately in a green bag and kept in a waste storage, after which the responsible municipality office will collect the waste and dispose of it according to the sanitary principles.
- **Infectious waste:** i.e., face masks, bandages and cotton in the Company's infirmary. The Company requires this type of waste be encapsulated in an "infectious waste bag." The medical personnel at the infirmary will send the waste to the hazardous waste disposal service providers with a license given by the Ministry of Public Health.

- **Industrial waste and hazardous sludge:** The Company classifies these types of waste into 2 categories. For sludge from wastewater treatment and waste from production, such as soldering paste, lead-contaminated fabric gloves, soil sludge from wastewater treatment, the Company will use the service from hazardous waste disposal service providers with a license given by the Department of Industrial Works, after which the waste will be disposed of with the regulated methods. In case of dross from lead defining process, the Company will sell them to the metal smelting factories with license given by the Department of Industrial Works. The Company also organizes price bidding every month.

- **General waste:** The Company requires general waste to be sorted and kept in the waste storage areas, after which the responsible municipality office will collect the waste and dispose of it according to sanitary principles.

| Waste quantity | Unit | 2020 | 2021 | 2022 | 2023 |
|---------------------|------|----------|----------|----------|----------|
| Non-hazardous waste | Ton | 53.75 | 52.69 | 54.53 | 43.20 |
| Hazardous waste | Ton | 1,467.07 | 1,357.59 | 1,732.78 | 1,490.65 |

Source: The Environment and Energy Department, Yuasa Battery (Thailand) PLC

Performance of 2023

In 2023, the Company disposed of 1,533.85 tons of both hazardous and non-hazardous waste. The Company hires the hazardous waste disposal service providers with a license given by the Department of Industrial Works. In addition, the Company conducts an environmental quality audit at least twice a year, both in the office and around the factory. In 2023, the standard value of air, odor, noise and light stood at the moderate level as issued by laws. There had been no chemical leak from the operation reported.

To reduce waste, the Company runs the following projects:

- **Plastic bottle sorting project:** Recycle waste dustbins (yellow bins) have been placed in more than 15 spots with an aim to sort recycle waste.
- **Paper usage reduction project in the office:** If one side of a sheet of paper is used, another side is recommended for use again.

d) Greenhouse gas reduction management

Commitment

The company is committed to be a part of solving climate change problems by focusing on the reduction of greenhouse gas emission from activities, operations and stakeholders.

Management roadmap and performance

1. The use of electric forklifts and electric stackers

The Company's daily operation requires the relocation, storage and disbursement of the products, to which forklifts are needed for use. For convenience and to save labor costs in the warehouse, the Company requires the use of electric stackers, while forklifts are utilized at the factory.

Since 2018, the Company has established the policy of using electric forklifts instead of petrol forklifts that had reached their lifespan. Although the use of petrol forklifts facilitated the operation, the combustion of the engine caused dust and smoke emission from the exhaust pipe and contributed to air

pollution and greenhouse gas. The use of electric forklifts and electric stackers will not have any effect on the environment.

| Quantity | Unit | 2020 | 2021 | 2022 | 2023 |
|--------------------|------|------|------|------|------|
| Electric forklifts | unit | 12 | 12 | 12 | 12 |
| Electric stackers | unit | 10 | 10 | 10 | 10 |

Source: The Environment and Energy Department, Yuasa Battery (Thailand) PLC

2. The installation of rooftop solar panels

The Company recognizes the importance and the benefits of the use of natural energy. The benefits of this project vary; it does not cause any environmental impact and helps the Company cut cost.

The rooftop solar panels have been installed onto 3 sections:

2.1 The installation of solar panels on the roof of the Buddhist prayer room and the restroom on the first floor of Building 3: This project started in 2015. In 2023, the Company was capable of reducing the emission of greenhouse gas by 0.697 tCO₂e per year.

2.2 The installation of solar panels on the roof of the factory: The installation has been completed in October 2023. In this first year of utilization, the Company was able to reduce greenhouse gas emission by 152.14 tCO₂e or 1.17% of the total greenhouse gas emission and cut electricity costs by 1.25 million baht.

2.3 The installation of solar panels at Waste Water Treatment plant: The Project is being carried out and expected to be completed in May 2024. It was estimated that greenhouse gas emission reduction would be 3.62 tCO₂e per month.

Table showing summaries of greenhouse gas emission

| GHG emission | Unit | 2020 | 2021 | 2022 | 2023 |
|--|---------------------------------|----------|----------|----------|-----------|
| <u>Scope 1</u> Direct emission : | | | | | |
| Diesel (machines and equipment) | tCO ₂ e | 2.23 | 0.22 | 0.11 | 0.11 |
| LPG (machines and equipment) | tCO ₂ e | 2,683.72 | 2,770.62 | 3,008.98 | 3,285.38 |
| Diesel* (vehicle) | tCO ₂ e | n/a | n/a | n/a | 20.73 |
| Gasoline* (vehicle) | tCO ₂ e | n/a | n/a | n/a | 38.18 |
| <u>Scope 2</u> Indirect emission through the use of electricity | tCO ₂ e | 8,353.83 | 9,102.18 | 9,717.56 | 9,640.57 |
| Total GHG emission of Scope 1 and 2 | tCO ₂ e | n/a | n/a | n/a | 12,984.97 |
| Total GHG emission to the production | kgCO ₂ e / kgLead | n/a | n/a | n/a | 1.11 |

* Data collection began in 2023

Source: The Environment and Energy Department, Yuasa Battery (Thailand) PLC. The figures are in plan to be verified and validated by registered verifiers according to international standards or equivalent.

Remarks: The figures of greenhouse gas emission shown in the table were calculated based on

- a) Diesel (for machine and equipment): 1 liter = 2.7078 kgCO₂e
- b) LPG: 1 kWh = 3.1134 kgCO₂e
- c) Diesel (for vehicle): 1 liter = 2.7406 kgCO₂e
- d) Gasoline: 1 liter = 2.2394 kgCO₂e, and
- e) Electricity usage: 1 kWh = 0.4999 kgCO₂e










The Company recognizes the importance of greenhouse gas emission management. The Company's activity that emits the largest quantity of greenhouse gas is the use of electricity in both the production and the office. To reduce the emission of greenhouse gas, the Company has a variety of measures, including reducing the use of diesel, controlling the use of LPG, improving electrical equipment and producing electricity from solar power, all of which were described on the item 3.5.2 Environmental performance, section a) Energy management








In 2023, the Company directly emitted a total of 3,344.40 tons CO₂ equivalent of greenhouse gas and indirectly emitted a total of 9,640.57 tons CO₂ equivalent of greenhouse gas, totaling 12,984.97 tons CO₂ equivalent. If direct greenhouse gas emission from diesel and gasoline for vehicle, of which data collection began in 2023, is excluded, the percent increase of total greenhouse gas emission from the previous year in 2021, 2022, and 2023 were 7.5%, 7.2%, and 1.6% respectively, which is trending downwards.

The reduction of energy usage in 2019–2024 had been carried out by the Company in various ways. The Company was certified by the Thailand Greenhouse Gas Management Organization (TGO) with an issuance of the letter of recognition upon the greenhouse gas emission-related projects. The recognition was given to the projects namely : a) Electricity usage reduction in battery production machinery project, b) LPG usage reduction in furnaces project, and c) Changing of lighting equipment project to enhance the effectiveness and reduce the use of energy. The project had been operated from November 1st, 2019 to October 31st, 2021, allowing the Company to reduce the emission of greenhouse gas by 1,455.004 tons CO₂ equivalent. The energy reduction projects of 2022-2023 are in the process of certification.

3.6 Supporting sustainable development goals

In accordance with Sustainable Development Goals: SDGs

| Sustainable Development Goal | | Actions for accomplishment | Ref. |
|---|---|---|----------------------------|
|  | End poverty in all its forms everywhere | <ul style="list-style-type: none"> Recruiting the locals | Page 46 |
|  | End hunger and improve nutrition in all ages everywhere | <ul style="list-style-type: none"> Offering appropriate compensation and welfare | Page 49-50 |
|  | Ensuring healthy lives and promoting well-being at all ages | <ul style="list-style-type: none"> Quality products and services Promoting employees' health and quality of life | Pages 40-43 Pages 50-51 |
|  | Providing quality education for all | <ul style="list-style-type: none"> Employee skill training and potential development Providing education about batteries | Page 47-49 Page 60 |
|  | Achieve gender equality and empower all women and girls | <ul style="list-style-type: none"> Human rights management | Page 45 |
|  | Ensure access to water and sanitation for all with sustainable management | <ul style="list-style-type: none"> Water management | Pages 62-63 |
|  | Ensure access to affordable, reliable, sustainable and modern energy | <ul style="list-style-type: none"> Effective use of alternative energy | Pages 65 |
|  | Promote inclusive and sustainable economic growth, employment and decent work for all | <ul style="list-style-type: none"> Promoting safe work environment | Pages 51 |
|  | Build resilient infrastructure, promote sustainable industrialization and foster innovation | <ul style="list-style-type: none"> Battery claim system Enterprise Resource Planning E-learning Online leave system | Pages 39-40 |

| Sustainable Development Goal | | Actions for accomplishment | Ref. |
|---|--|---|------------------------------------|
|  | Reduce inequality within and among countries | <ul style="list-style-type: none"> • Employment of people with disabilities and helping the underprivileged • Employment of diversity, no discrimination against genders, races and religions | <p>Pages 46, 54</p> <p>Page 45</p> |
|  | Make cities inclusive, safe, resilient and sustainable | <ul style="list-style-type: none"> • Community sustainability activities, such as safety and drug-free workplace training, Solar cells and communication set for the community, battery checkup | Pages 53-60 |
|  | Ensure sustainable consumption and production patterns | <ul style="list-style-type: none"> • Management of energy, water, waste and pollution, and reduction of greenhouse gas | Page 61-66 |
|  | Take urgent action to combat climate change and its impacts | <ul style="list-style-type: none"> • Reducing the use of petrol, LPG and generating electricity from solar power • Reducing the use of electricity | Pages 61-62 |
|  | Conserve and sustainably use the oceans, seas and marine resources | <ul style="list-style-type: none"> • Garbage and waste management • Reducing the discharge of wastewater to the environment | Pages 64 |
|  | Sustainably use the terrestrial ecosystem | <ul style="list-style-type: none"> • Garbage and waste management • Bangpoo beach cleanup | <p>Page 64</p> <p>Page 57</p> |
|  | Promote just, peaceful and inclusive societies | <ul style="list-style-type: none"> • Respect human rights • Good governance principles | <p>Page 45</p> <p>Page 39</p> |

Financial Highlights

Summary of auditor's report Including the list of auditors for 3-year financial statements and financial information of the Company can be summarized as follows:

| Financial Statement | Certified Public Accountant |
|---|---|
| Audited financial statements For the year ended December 31, 2021 | Supanee Triyanantakul Certified Public Accountant (Thailand) No. 4498 EY Office Limited |
| Audited financial statements For the year ended December 31, 2022 | |
| Audited financial statements For the year ended December 31, 2023 | |

Auditor's opinion disclosed in the Company's financial statements. can be summarized as follows:

| Financial Statement | Auditor's opinion |
|--|---|
| Audited financial statements For the year ended December 31, 2021 | An auditor from EY Office Limited was of unqualified opinion in the auditor's report that the financial statements as of 31 December 2021, 31 December 2022 and 31 December 2023, and the financial performance and cash flows for the year ended were in accordance with Thai Financial Reporting Standards. |
| Audited financial statements For the year ended December 31, 2022 | |
| Audited financial statements For the year ended December 31, 2023 | |

Summaries of the financial position and operating results of the Company and its subsidiaries:
(Unit: thousand baht)

| ITEM | 2021 | 2022 | 2023 |
|-------------------------------------|-----------|-----------|-----------|
| Sales of goods | 2,251,599 | 2,578,727 | 2,654,640 |
| Cost of sales | 1,737,501 | 2,018,657 | 2,053,901 |
| Gross profit | 514,098 | 560,070 | 600,739 |
| Other income | 10,072 | 10,274 | 7,463 |
| Selling and administrative expenses | 401,666 | 429,752 | 452,997 |
| Operating profit | 122,504 | 140,593 | 155,205 |
| Finance cost | 800 | 829 | 688 |
| Profit before income tax | 121,704 | 139,764 | 154,517 |
| Net profit | 97,682 | 109,416 | 123,026 |
| Number of shares (thousand shares) | 107,625 | 107,625 | 107,625 |
| Cash and cash equivalents | 369,558 | 414,817 | 247,584 |
| Trade and other receivables | 367,246 | 393,451 | 424,436 |
| Inventories | 288,482 | 317,651 | 430,426 |
| Total current assets | 1,038,261 | 1,134,684 | 1,112,017 |
| Property, plant and equipment | 395,792 | 407,645 | 444,218 |
| Investment properties | 2,321 | 2,321 | 2,321 |
| Total assets | 1,469,467 | 1,578,421 | 1,599,682 |
| Trade and other payables | 379,169 | 399,362 | 323,051 |
| Total current liabilities | 423,449 | 449,804 | 379,142 |
| Total liabilities | 529,104 | 555,937 | 497,117 |
| Total shareholders' equity | 940,363 | 1,022,484 | 1,102,565 |
| Retained earnings | 661,663 | 743,784 | 823,865 |
| Dividend paid | 47,460 | 31,318 | 37,230 |

Common size analysis of Statement of income and Financial position

| ITEM | 2021 | 2022 | 2023 |
|-------------------------------------|---------|---------|---------|
| (Ratio per sales of goods) | | | |
| Sales of goods | 100.00% | 100.00% | 100.00% |
| Cost of sales | 77.17% | 78.28% | 77.37% |
| Gross profit | 22.83% | 21.72% | 22.63% |
| Other income | 0.45% | 0.40% | 0.28% |
| Selling and administrative expenses | 17.84% | 16.67% | 17.06% |
| Operating profit | 5.44% | 5.45% | 5.85% |
| Finance cost | 0.04% | 0.03% | 0.03% |
| Profit before income tax | 5.41% | 5.42% | 5.82% |
| Net profit (loss) | 4.34% | 4.24% | 4.63% |
| ITEM | 2021 | 2022 | 2023 |
| (Ratio per total assets) | | | |
| Cash and cash equivalents | 25.15% | 26.28% | 15.48% |
| Trade and other receivables | 24.99% | 24.93% | 26.53% |
| Inventories | 19.63% | 20.12% | 26.91% |
| Total current assets | 70.66% | 71.89% | 69.51% |
| Property, plant and equipment | 26.93% | 25.83% | 27.77% |
| Investment properties | 0.16% | 0.15% | 0.15% |
| Trade and other payables | 25.80% | 25.30% | 20.19% |
| Total current liabilities | 28.82% | 28.50% | 23.70% |
| Total liabilities | 36.01% | 35.22% | 31.08% |
| Total shareholders' equity | 63.99% | 64.78% | 68.92% |
| Retained earnings | 45.03% | 47.12% | 51.50% |

Performance Summary of Year 2023

The recovery of the Thai economy decelerated following global economic condition, with the growth much lower than expected. Manufacturers, distributors, and suppliers in the vehicle battery manufacturing industry initially anticipated and projected sales higher than actual outcome, leading to higher competition in the market. Household debt in Thailand, meanwhile, was at the highest level among ASEAN countries with unsecured loans amount as high as 44% of the GDP. The risk from this level of household debt had affected business of vehicle manufacturers, which is one group of the Company's major customers, due to loan criteria tightening by financial institutions.

The Company continuously implemented improvement projects for battery production, in order to use production resources efficiently and effectively, along with the management of occupational health and safety and the environment. For the year 2023, the Company posted a net profit of 123.03 million baht, increasing by 13.61 million baht from the year 2022 or 12.4%.

1. Operating Results

| Unit: Million baht | 2023 | 2022 | YoY |
|-------------------------------------|----------|----------|---------|
| Sales of goods | 2,654.64 | 2,578.73 | 2.9% |
| Cost of sales | 2,053.90 | 2,018.66 | 1.7% |
| Gross margin | 600.74 | 560.07 | 7.3% |
| Other income | 7.46 | 10.27 | (27.4%) |
| Selling and administrative expenses | 453.00 | 429.75 | 5.4% |
| Finance cost | 0.69 | 0.83 | (17.1%) |
| Income tax expenses | 31.49 | 30.35 | 3.8% |
| Net profit | 123.03 | 109.42 | 12.4% |
| Earnings per share (Baht/share) | 1.14 | 1.02 | 12.4% |

Year 2023 operating results

- i. Sales of goods: The Company recorded 2.9% higher sales of goods than in the previous year or an increase of 75.91 million baht, owing to the growth in the motorcycle battery replacement market and OEM market by 12.0% and 6.3%, respectively. This was the result of the higher product demand, new customers acquisition, and introduction of new product models in the market despite constant pressures from unfavorable market condition and liquidity of major retailers and distributors. In addition, expansion in Myanmar market had pushed automotive battery export sales revenue to increase 12.0% from the previous year even though sales activities were delayed from import restrictions imposed by Myanmar government. Meanwhile, sales revenue from domestic automotive OEM markets decreased by 22.8% following effect from tightened loan criteria while sales revenue from the automotive battery replacement market declined by 2.5% due to the intense competition in the market.
- ii. Cost of sales: The Company's cost of sales totaled 2,053.90 million baht or 77.37% of sales of goods. The ratio decreased from the year 2022, which stood at 78.28%. The main reasons were the decrease in direct labor costs and manufacturing overhead. The raw material cost to sales of goods, however, was 0.34% higher than in 2022.

- iii. **Selling and administrative expenses:** The Company's selling and administrative expenses totaled 453.00 million baht or 77.37% of sales of goods. Compared with the year 2022, the ratio of selling and administrative expenses to sales of goods rose 0.4%, and the amount increased by 23.25 million baht. The selling expenses increased by 13.93 million baht, from which an increase of 4.31 million baht was due to sales promotional activities and marketing medias. The increase in selling expenses also included an increase in expenses relating to sales personnels and an increase in royalty fees, excise taxes and product delivery and export expenses which followed higher sales volume and revenue. In addition to the increase in selling expenses, administrative expenses increased by 9.32 million baht, mainly from an increase in personnel expenses. Apart from the personnel expenses, spending on IT equipment and asset write-offs were also higher than in 2022.

2. Financial Position

Table showing summaries of financial position :

| Unit: Million baht | Dec 31, 2023 | Dec 31, 2022 | Increase/ (Decrease) | % |
|---|-----------------|-----------------|-------------------------|-------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 247.58 | 414.82 | (167.23) | (40.3%) |
| Trade and other receivables | 424.44 | 393.45 | 30.99 | 7.9% |
| Inventories | 430.43 | 317.65 | 112.78 | 35.5% |
| Other current assets | 9.57 | 8.77 | 0.80 | 9.2% |
| Total current assets | 1,112.02 | 1,134.68 | (22.67) | (2.0%) |
| Non-current assets | | | | |
| Property, plant, and equipment | 444.22 | 407.65 | 36.57 | 9.0% |
| Other non-current assets | 43.45 | 36.09 | 7.36 | 20.4% |
| Total non-current assets | 487.66 | 443.74 | 43.93 | 9.9% |
| Total assets | 1,599.68 | 1,578.42 | 21.26 | 1.3% |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Trade and other payables | 323.05 | 399.36 | (76.31) | (19.1%) |
| Other current liabilities | 56.09 | 50.44 | 5.65 | 11.2% |
| Total current liabilities | 379.14 | 449.80 | (70.66) | (15.7%) |
| Total non-current liabilities | 117.97 | 106.13 | 11.84 | 11.2% |
| Total liabilities | 497.12 | 555.94 | (58.82) | (10.6%) |
| Shareholders' equity | 1,102.57 | 1,022.48 | 80.08 | 7.8% |
| Total liabilities and shareholders' equity | 1,599.68 | 1,578.42 | 21.26 | 1.3% |

2.1 The Company's total assets as of December 31, 2023, totaled 1,599.68 million baht, consisting of current assets of 1,112.02 million baht and non-current assets of 487.66 million baht. Current assets decreased by 22.67 million baht compared to the amount as of December 31, 2022. Cash and cash equivalents decreased by 167.23 million baht, mainly due to the shortened payment terms for raw materials and the increase in raw material inventories particularly in the first quarter. The higher level of raw material inventories followed the increased sales forecast in the beginning of the year and the plan to produce

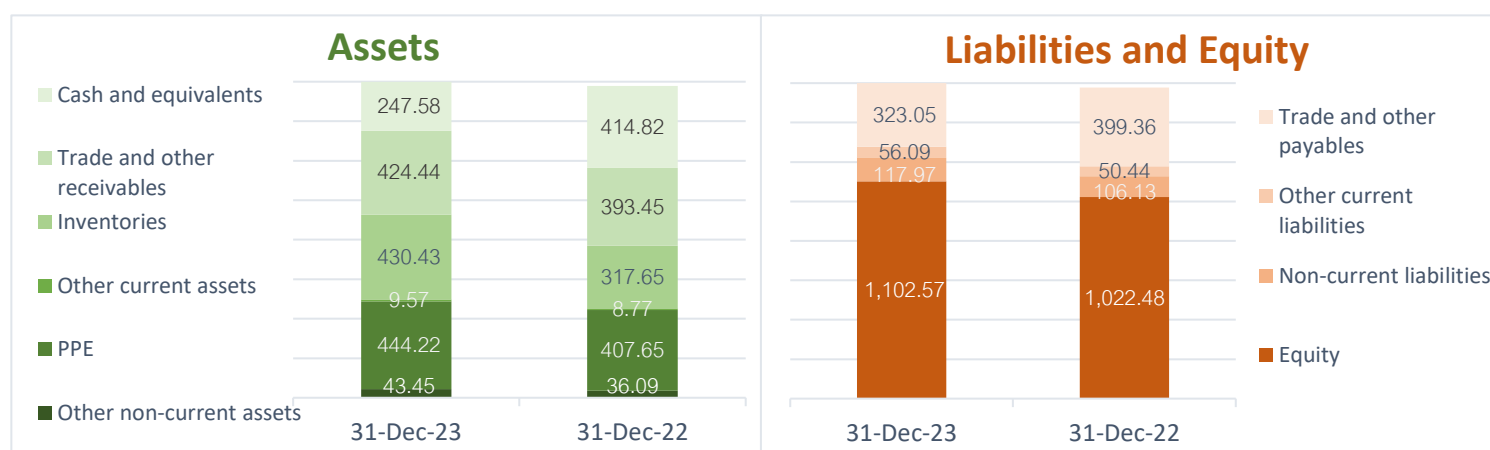
motorcycle batteries for the period that one production line will be stopped for improvement in 2024. Meanwhile, trade and other receivables increased by 30.99 million baht on account of newly acquired customers and new sales project. The value of non-current assets also increased by 43.93 million baht, mostly from the construction projects and the addition of machinery and equipment.

2.2 The Company's total liabilities as of December 31, 2023, were 497.12 million baht a decrease of 58.82 million baht from the total liabilities as of December 31, 2022. This was due to the decrease of trade and other payables by 76.31 million baht which followed changes in the payment terms for raw materials. On the other hand, other current liabilities increased by 5.65 million baht owing to the tax payables and non-current liabilities increased by 11.84 million baht, mainly due to the accrued employee benefits.

2.3 The Company's shareholders' equity as of December 30, 2023, totaled 1,102.57 million baht, an increase of 80.08 million baht or 7.8% from the end of the previous year as a consequence of:

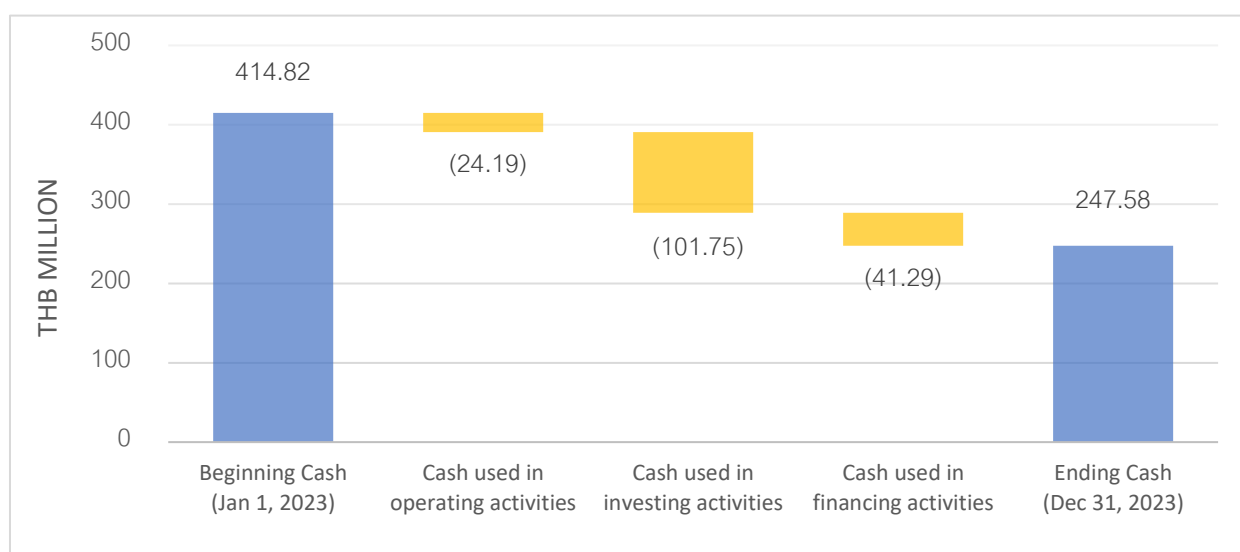
- (+) Profits of the year 2023 amounted to 123.03 million baht.
- (-) Other comprehensive loss, such as actuarial loss amounted to 5.71 million baht
- (-) Dividend payment to the shareholders derived from 2022's operating results of 37.23 million baht.

Chart summarizing the financial position :



3. Cash flows

Chart summarizing cash flows of the year:



As of December 31, 2023, the Company recorded cash and cash equivalents totaling 247.58 million baht. Details of each activity were summarized as follows:

3.1 Net cash flows used in operating activities totaled 24.19 million baht. Key issues affecting changes were the following:

- (+) Operating profits of 223.99 million baht;
- (-) Trade and other receivables increase 34.07 million baht;
- (-) Inventories increase 112.15 million baht;
- (-) Other current assets increase 0.80 million baht;
- (-) Trade and other payables decrease 70.44 million baht;
- (-) Cash paid for employee benefits 3.77 million baht;
- (+) Other current liabilities increase 3.78 million baht.
- (+) Cash received from interest income 1.07 million baht
- (-) Cash paid for interest expenses 0.08 million baht
- (-) Case paid for corporate income tax 31.72 million baht

3.2 Net cash flows used in investing activities totaled 101.75 million baht — 93.81 million baht of which was spent on machinery and equipment; 1.43 million baht was the acquisition of intangible assets and 6.76 million baht was advanced payment for fixed asset acquisition. The Company also received cash from the sales of machinery and equipment totaling 0.25 million baht.

3.3 Net cash flows used in financing activities totaled 41.29 million baht — 4.06 million baht of which was the payment of lease liabilities, while 37.23 million baht was the dividend paid.

4. Financial ratio

Key financial ratio items

| | 2023 | 2022 |
|--------------------------------|-------|-------|
| Profitability ratio (%) | | |
| Gross profit margin | 22.63 | 21.72 |
| Operating profit margin | 5.85 | 5.45 |
| Net profit margin | 4.63 | 4.24 |
| Return on equity (ROE) | 11.58 | 11.15 |
| Efficiency ratio (%) | | |
| Return on total assets (ROA) | 7.74 | 7.18 |
| Return on net fixed assets | 41.53 | 39.98 |
| Liquidity ratio (times) | | |
| Current ratio | 2.93 | 2.52 |
| Quick ratio | 1.77 | 1.80 |
| Receivable turnover | 6.78 | 7.09 |
| Collection period (days) | 54 | 51 |
| Payable turnover | 8.93 | 7.84 |
| Payment period (days) | 41 | 47 |

| | 2023 | 2022 |
|---------------------------------------|-------|--------|
| Financial policy ratio (times) | | |
| Debt to equity | 0.45 | 0.54 |
| Times interest earned (cash basis) | 11.94 | 200.98 |
| Debt service coverage (cash basis) | -0.18 | 1.45 |
| Dividend payout (%) | 30.26 | 28.62 |
| Fully diluted (baht) | | |
| Book value per share | 10.24 | 9.50 |
| Earnings (loss) per share | 1.14 | 1.02 |
| Dividend payout per share | 0.346 | 0.291 |

Remark financial ratios calculation :

| | |
|------------------------------------|---|
| Return on equity (ROE) | = Net profit / avg. total shareholders' equity |
| Return on total assets (ROA) | = Net profit / avg. total assets |
| Return on net fixed assets | = (Net profit + depreciation and amortisation) / avg. total fixed assets |
| Current ratio | = Current assets / current liabilities |
| Quick ratio | = (Cash and cash equivalents + trade and other receivables) / current liabilities |
| Receivable turnover | = Sales of goods / avg. trade receivables before allowance for bad debt |
| Collection period (days) | = 365 / receivable turnover |
| Payable turnover | = Cost of sales / avg. trade payables |
| Payment period (days) | = 365 / payable turnover |
| Debt to equity | = Total liabilities / total shareholders' equity |
| Times interest earned (cash basis) | = (Net cash flows from (used in) operating activities + Cash paid for interest expenses + Cash paid for corporate income tax / Cash paid for interest expenses |
| Debt service coverage (cash basis) | = (Net cash flows from (used in) operating activities / (Cash paid for interest expenses + payment of liabilities + cash paid for machinery, equipment and intangible assets + dividend paid) |

Concerning profitability, the Company's gross profit margin, operating profit margin and net profit margin increased from the year 2022 mainly as a consequence of the improvement on production cost. As for the liquidity, current ratio was higher than the previous year due to the reduction of the current liabilities while the quick ratio as of December 31, 2023, decreased from the figure as of December 31, 2022 owing to the decrease in cash and cash equivalents.

In 2023 the average collection period was 54 days - longer than in 2022 which was 51 days. The increase was due to higher amount of trade receivables particularly from new customers and new motorcycle battery sale project. The average payment period decreased from that in the previous year, owing to the payment term shortening for lower raw material prices. Nevertheless, the shorter payment period did not affect the Company's liquidity management.

At the end of 2023 debt to equity was 0.45 times which was less than the ratio of 0.54 as of December 31, 2022 due to the decline in liabilities and the growth in shareholders' equity. Times interest earned and debt service coverage both decreased from the year 2022 because the Company had negative cash flow from operating activities due to the increase in raw material inventories and the change in raw material payment term.

In terms of dividend payment, the Annual General Shareholders' Meeting for 2023 held on April 7th, 2023 passed the resolution to pay dividend from the operating results of 2022 for 107,625,000 shares at Baht 0.346 per share, totaling Baht 37.23 million. The dividend was paid on May 3rd, 2023. The Board of Directors' Meeting No. 1/2024 on February 13th, 2024, passed the resolution to propose to the Annual General Shareholders' Meeting to pay dividend from the operating results of 2023 for 107,625,000 shares at Baht 0.412 per share, totaling Baht 44.34 million.

5. The Detail of Company

| | |
|-------------------------|--|
| Company | : Yuasa Battery (Thailand) Public Company Limited |
| Abbreviated Name | : YUASA |
| Register no. | : 0107537002672 (previously; Bor Mor Jor. 514) |
| Type of business | : Manufacture, import and distribute automobile batteries, motorcycle batteries, power backup batteries and industrial batteries for domestic sales and Export sales |

5.1 Other Information

- Other references



Securities Registrar

Thailand Securities Depository Company Limited
93, 14th Floor, The Stock Exchange of Thailand Building
Ratchadaphisek Road, Din Daeng Subdistrict,
Din Daeng District,
Bangkok 10400 Telephone 02-009-9999



Auditor

Ms. Supanee Triyanantakul
Certified Public Accountant No. 4498
EY Office Company Limited
193/136-137 Lake Ratchada Building, Floor
Ratchadaphisek Road, Khlong Toei District,
Bangkok 10110
Telephone 02-677-2000 Website: www.ey.com



Financial Advisor

Thanachart Asset Management Public Company Limited
231 Thanachart Park Place Building, Floor 5-7
Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330
Tel: 02-126-8300 Website www.thanachartfund.com

5.2 Legal Dispute

As of December 31st, 2022, the Company had no unresolved legal disputes that may affect its assets that exceed 5% of the shareholders' equity. There was no legal dispute that may affect the Company's business.

02

CORPORATE GOVERNANCE

6.1 Overall Corporate Governance Policy and Guideline

The Board of Directors, as a group of leaders who must control the organization to have good management, is aware of the significance of good corporate governance as it shall bring transparency and increase confidence for shareholder and stakeholders. Hereby, the Board of Directors' meeting no.5/2015 on November 5th, 2015 had approved the appointment of the Corporate Governance Committee to stipulate guidelines of good practices for directors, executives and employees, from which they will have knowledge and understanding in the Good Corporate Governance Code (GCG Code), which is practically applicable to operations, raising the standards, ethics and virtue of business to conform with the GCG code.

Moreover, the Board of Directors' meeting no.4/2019 on November 7th, 2019 had approved the resolution for new principles of the GCG Code, from which directors, executives and employees are to adopt and apply them by means that are suitable. In this regard, details of the Company's corporate governance policy and guidelines were compiled and disclosed on the Company's website.

Furthermore, to promote virtue and fairness in business operations — which maintain confidence and trust of shareholders and all stakeholders — the Company stipulated that it is the duty and responsibility of the Board of Directors and all employees to acknowledge, understand and strictly implement the business code of conduct. Executives of all levels are to direct employees under their supervision to acknowledge, understand and strictly comply with the business code of conduct. The Company, therefore, has defined the business code of conduct, which will be used as the Best Practice guidelines for all personnel in the organization. Details of the business code of conduct were also compiled and disclosed on the Company's website. In addition, the Company monitors the conformity to ethical standards through its internal audit procedures, which cover 5 sections as follows: -

Section 1. Rights of Shareholders

The Company recognizes the rights of every shareholder equitably with the stipulation of the CG Code on shareholders' rights that covers the areas beyond those required by laws. In 2023, the Company had executed the CG Code in the following aspects: -

Before the meeting

1) The Company had granted the opportunity for the shareholders to propose meeting agendas, raise questions regarding the Company's performance and nominate persons to be elected as directors in advance for the Annual General Shareholders' Meeting (AGM) 2023 via the Company's website from September 29th, 2022 to December 31st, 2022.

2) The Company would supervise the advance provision of the date, time, venue and meeting agenda items, as well as all related information for decisions and considerations for the shareholders sufficiently. The Company sent an invitation letter with Thai and English enclosure items to the shareholders more than 7 days in advance. The invitation letter and enclosure items were also disclosed on the Company's website www.yuasathai.com on February 27th, 2023, which was over 30 days prior to the AGM. This provided the shareholders sufficient time to study the agenda items and related information. In 2023, there was no Extraordinary Shareholders' Meeting held.

3) The Company has a policy of encouraging and facilitating the shareholders as well as the institutional investors to attend the AGM. The Company selects the meeting venue where can be easily accessed by a sufficient range of public transportations, ensuring that shareholders can travel to participate in the AGM conveniently. In 2023, the Company held the AGM at the Fourwings Hotel, Bangkok and

arranged the pickup service from BTS station to the hotel, to facilitate transportation for shareholders attending the meeting.

4) The Company would notify the shareholders the rules and regulations for the AGM, including the voting methods and the disclosure of relevant information, on the Company's website in advance before sending the documents so that shareholders will have sufficient time to study the information in advance prior to receiving the information in the form of documents from the Company.

5) The Company would facilitate the shareholders to fully exercise their rights of attending the AGM and voting, and would refrain from any actions which limit the opportunity for shareholders to attend the meeting.

6) In case a shareholder is unable to attend the AGM, he/she is allowed to authorize an independent director as a proxy to cast vote on his/her behalf, from which the shareholder can personally specified the vote. In 2023, the Company appointed whether Assoc. Prof. Dr. Lawan Thanadsillapakul or Mr. Prasert Kitissakul, or Assoc. Prof. Pisit Vatanasomboon, the independent directors, be authorized as proxies.

On the day of meeting

1) At the AGM 2023 on April 7th, 2023, the Company encouraged the shareholders to attend the meeting, which was held at the venue accessible by public transportation at the Fourwings Hotel, Bangkok. The shareholder unable to attend the meeting can grant a proxy to the independent directors of the Company., the Company. The guidelines for attending the AGM were provided as follows:

- The shareholders or proxies can register to attend the meeting by providing document and evidence required at the meeting venue on April 7th, 2023 from 12:00 onwards. The Company conducted document check to confirm right to attend the meeting for the shareholders or proxies who undergo registration process at the meeting venue on the date and time specified in the meeting invitation letter only.

- For the shareholders who are at risk of contagious disease or unable to attend the meeting, the Company advised them to authorize other individuals or any of the independent directors as proxies to attend the AGM on their behalf.

- For the shareholders or proxies wishing to attend the AGM in person, the Company would provide for them the screening point. The Company reserved the rights not to allow any attendees at risk, and would like to request the cooperation of all attendees to wear a face mask during the meeting.

2) The Company provided a suitable period of time and encouraged the shareholders to raise comments and questions the matters concerning with the Company to the AGM by requesting them to submit enquiries or suggestions and recommendations in advance. Moreover, the Company would hold the meeting in accordance with the agenda items published in the invitation letter. Previously, there had been no additional agenda items raised during the meeting without notifying the shareholders prior to the AGM, which might be deemed unfair to the shareholders who were absent from the meeting.

3) To voting at the AGM, the Company arranged the voting openly for each agenda, using the voting card distributed to the shareholders or proxies during the registration for the voting. The voting was collected for counting for all cases – approval, objection, or abstention – in all agendas, and the shareholders were informed of the result after each agenda with the representative of the shareholders as the witness in vote counting. The voting result had been clearly disclosed in the minutes of meeting for the shareholders' acknowledgement.

After the meeting

1) After the AGM, the Company clearly discloses the meeting's resolutions and total vote counts of each agenda to the Stock Exchange of Thailand by no more than 1 business day after the AGM. The minutes of the AGM will be submitted to the Stock Exchange of Thailand and the Ministry of Commerce and published on the Company's website within 14 days.

2) The Company will notify the shareholders the operational progress in a timely manner either directly through the Company's website or through the Stock Exchange of Thailand.

Section 2. Equitable Treatment of Shareholders

The Company has a policy to treat all shareholders equitably, whether in the aspects of inspecting or raising suggestions and recommendations on the Company's operations. The independent directors are designated with a role of overseeing the minority shareholders, from which they can raise suggestions, recommendations or file complaints to the Independent Directors, who will be responsible for considering and taking appropriate actions on each purposed issue. For example, should there be any complaints filed, the Independent Directors will conduct a comprehensive investigation and seek appropriate measures to tackle the issue. Shareholder are granted with the opportunity to raise questions regarding the Company's performance and nominate persons to be elected as directors in advance via the Company's website www.yuasathai.com. However, there were no advanced proposal on the agenda items or nomination of persons to be elected as directors made by the shareholders prior to the AGM 2023.

Section 3. Roles of Stakeholders

The Company recognizes importance to the rights of every group of stakeholders, whether internal stakeholders, such as shareholders, employees and executives, or external stakeholders, such as competitors, trade partners, customers, communities and the society. The Company is aware that supports, acceptance to comments and a good relationship with all stakeholders will be beneficial for the Company's business operations and development in terms of future growth and expansion. The Company will ensure that all stakeholders have the rights to be treated equitably and fairly, and comply with all relevant laws and regulations as follows:

1. Shareholders

The Company focuses on being a good agent for the shareholders in the business operations to satisfy the shareholders. The focuses are the Company's long-term growth in value, good internal control and audit systems as well as the transparency in the disclosure of related information.

2. Customers

The Company is committed to providing good and satisfactory services for customers by offering quality products and services, doing business with customers with honesty and integrity and offering both before- and after-sales services. The Company has continuously conducted customers' satisfaction surveys and accepted complains or suggestions from customers, the results of which will be implemented in the improvement and the development efforts on services and in the long-term relationship with customers.

Customer service guidelines

- The Company must treat all customers equitably with honestly and integrity.
- The Company must offer good, quality products and services to customers.

- The executives and employees must have good knowledge and understanding in the Company's products and services. They must provide complete and accurate information for customers, and always treat them with politeness, respects and modest speeches.

- The executives and employees must study and understand customers' needs thoroughly before offering products or services to the customers in order to correctly cater to their needs. They are also urged to always seek for new information and knowledge and gain more experiences in order to boost efficiency for work.

- The Company assigns the Customer Service Department to accept recommendations, comments or complaints regarding products and services, the issues from which will be considered for improvement and implemented with countermeasures as fast as it is deemed appropriate.

3. Employees

The Company promotes the development of its human resources to get the most out of their potential. The Company is fully aware that employees are one of the organization's major resources who contribute to the development and growth. The Company, therefore, treats all employees equitably with fairness and without discrimination. The Company offers reasonable employee wages and welfares in line with the likes in the same industry; they are the provident fund and employee activities, such as annual sports day and New Year party, all of which are aimed at encouraging employees to jointly participate in activities. Other welfares include maintaining safe and hygienic work atmosphere and allowing employees to file complaints in case they had not been treated fairly, as stipulated.

4. Trade partners

The Company treats trade partners with the fair-trade principles, adhering to the compliance with agreements, trade conditions and promises given to the trade partners, creating good business relationship which will benefit all stakeholders.

5. Competitors

The Company treats all competitors with the ethics of competition, refraining from the unethical competitions that might eliminate the competitors.

6. Communities, the society and environment

The Company recognizes the importance of environment conservation in the communities surrounding the Company's location with the kicking off of the energy-saving campaign and conducting the business without disrespecting cultural norms or causing social damage.

7. Government agencies

The Company conducts the business with integrity, transparency and compliance with laws and regulations.

8. Creditors

The Company treats creditors with fairness and complies with terms and conditions stated in the agreements. The Company also manages debts as stated in the purposes, controls the payment of principals and interests in a timely manner, and establishes agreement with all types of creditors as stated by laws with transparency.

Stakeholder Engagement Policy

1. Non-infringement of intellectual properties

The Company has a policy and guidelines for the non-infringement of intellectual properties. The Company will not tolerate any actions that are deemed as infringement of intellectual properties and

violations of copyrights as stipulated in the Intellectual Property laws. Should the Company be notified of any disputes related to intellectual property infringement, the Company will take action immediately with well-assessed frameworks to cease the access to the alleged intellectual property infringement.

2. Human rights policy

The Company is aware that respecting human rights is the significant responsibility which is related to all stakeholders, e.g., customers, employees, shareholders, trade partners, debtors, communities associated with the Company's operation. Therefore, the Human rights policy is stipulated in compliance with national laws and international standards. It is the responsibility of directors, executives and all employees to acknowledge and comply with.

3. Risk management policy

The Company is aware of the significance of the risk management policy as a part of the CG Code, and as a fundamental that helps the Company achieve operational goals. It indicates events that are possible to occur and impact the Company, allowing the Company to mitigate risks to the acceptable level.

4. Environmental policy

The Company is committed to sustainably operate the business along with the awareness of environmental responsibilities. It is aware of and recognizes the importance of reducing impact towards environment caused by the Company's operations. The environmental management system is stipulated, under which resources are valued and used efficiently. The 3Rs (Reduce, Reuse and Recycle) principle is applied as a basis of the implementation of the efficient use of the Company's resources.

5. Tax policy

The Company recognizes the importance of tax management, the compliance with tax laws and regulations and the proper tax payment to show responsibilities towards the society, compiling with the sustainability framework, which focuses on a business' economic growth that aligns with the societal and environmental development.

6. Anti-corruption policy

The Company operates the business with transparency and is aware of the importance of all anti-corruption principles. The Company operates the business in compliance with the laws. The business is beneficial to the society, and the employees are encouraged to operate their responsibilities with virtue and quality citizenship. In addition, the Company recognizes the importance of the declaration of intent, being certified as a member of the Private Sector Collective Action Against Corruption (CAC). The Company received the certificate and was certified by the collective action with the validity starting March 31st, 2021 through March 31st, 2025. The Company has also clearly stipulated the anti-corruption policy as preventive practices against corruptions. The organizational culture was established to raise awareness among all personnel of the threats of corruptions, creating fundamental values and boosting trusts towards the Company among all stakeholders. In order to effectively implement the anti-corruption principles, the Company has enforced and published the policy on the Company's internal communication means and on the Company website for acknowledgement, with which the directors, executives and employees are required to comply.

Section 4. Disclosure and Transparency

The Company is fully aware of the importance of disclosure of clear, reliable, timely and transparent information, including financial statements and general information, in line with the information disclosure requirements issued by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company discloses the Company's information to the shareholders, investors and the public through the

Securities and Exchange Commission's and the Stock Exchange of Thailand's channels and media, as well as the Company's website and newspapers, allowing all stakeholders to obtain reliable information with equality. In 2022, the Company disclosed the followings: -

1. The Company prepared financial statements to disclose financial status and operational performance as stipulated by laws and certified general accounting standards. The Audit and Risk Management Committee was appointed and responsible for auditing the financial statements, assessing whether they are accurate, complete and reliable.
2. The Company had a policy to disclose financial statements and general information affecting the Company's stock price: such information affects the decision-making of investors and the Company's stakeholders. The information must be accurate, complete and timely as specified by the authority.
3. The preparation of Directors' Accountability Report for Financial Statements
4. The Company disclosed additional information in the 56-1 One Report or the annual report as follows:
 - The roles and responsibilities of the board and the subcommittees, the number of meetings and the number of directors participating in meetings
 - The remuneration of the directors and executives
 - Profiles and training and development history of an individual director
 - Audit fees and non-audit fees
5. The Company published the AGM invitation letter for 2023 on the Company's website on February 27th, 2023 and held the AGM on April 7th, 2023.
6. The CG Code was disclosed on the Company's website to be implemented as practical principles for the directors, executives and all employees to adhere to.

Section 5. Accountabilities of the Company's board of directors

1. The board has prepared the CG Code for use as guidelines and established clear leadership roles and responsibilities of the board.
2. The board has stipulated the Code of Conduct, which had been announced for acknowledgement and disclosed on the Company's website. It is considered as an honesty policy that is applicable on the board, executives and employees, who are required to comply with the stipulated code.
3. The board has clearly established the Company's vision and mission, to which the employees must adhere as operational guidelines for achieving the goals. The board reviews the vision and mission on an annual basis. For 2023, the board had reviewed the vision and mission and agreed to remain them unchanged.
4. The board has approved strategic plans. They are reviewed on an annual basis to comply with the economic situation of that particular period. The Management adopts the strategies and will report operating results to the meeting every quarter.

Definition of roles and responsibilities of the Board of Directors and the Management

The Company has clearly defined the roles and responsibilities of the Board of Directors and the Management: the board is responsible for establishing policy and supervise the Management's operations; while the Management is responsible for managing the operations in compliance with the policy. At present, however, the Chairman of the Board and the Chief Executive Officer is the same individual. The Company is considering the management of this issue.

6.2 Code of business ethics and code of conduct

The Company has prepared the code of business ethics and code of conduct which are periodically reviewed and revised. It features ethical principles for work, from which the directors, executives and employees, as well as the subsidiary, will have guidelines for good practices, customers' importance recognition, responsibilities towards the society, communities and environment. The employees must not involve in political activities. They must also be aware of all stakeholders, basic rights as stipulated by laws, respect towards human rights, anti-corruption principles and non-violation of intellectual properties. The Company has published the handbook to the directors, executives and all employees. There were also training to educate the personnel about virtuous code of conduct, raising employees' awareness and nurturing them to comply with the principles. These will allow the Company's operations to operate with quality, integrity, transparency and accountability.

(The code of business ethics are published on the Company's website www.yuasathai.com.)

6.3 Changes and development in policy, code of conduct and the CG code in the previous year

6.3.1 Significant changes and development associated with the revision of policy, code of conduct and charters during the past year

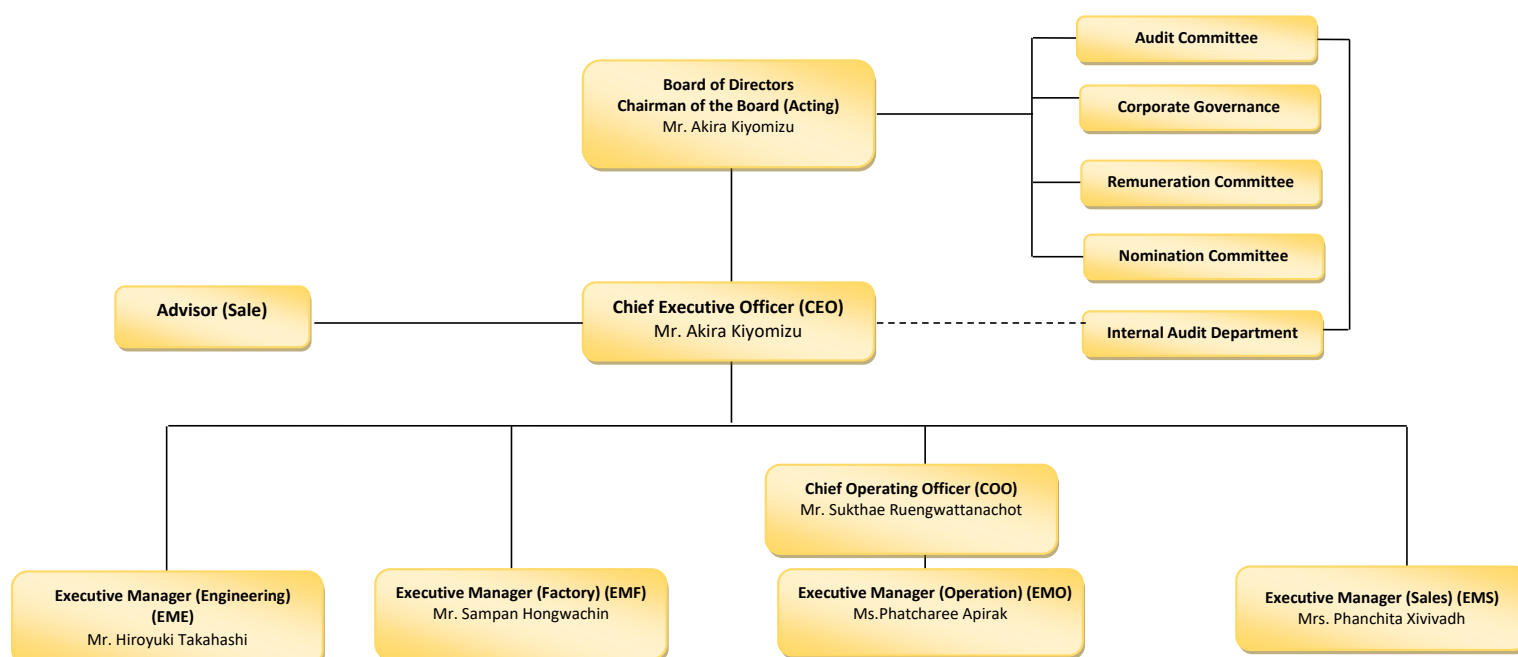
- Projects and activities associated with CG Code, code of business ethics and sustainable development were organized.

6.3.2 The application of the CG Code 2017

The board recognizes the importance of the Corporate Governance Code for listed companies 2017 (CG Code) issued by the Securities and Exchange Commission, Thailand, agreeing that the revision and review must be implemented on the Company's code of business ethics handbook, making it up-to-date in compliance with the new principles. They will be applied as suited with the Company's business. In 2023, the Company had complied with the CG Code, however, the application of some principles had yet to be processed, major issues were summarized as follows:

| Items | Reasons |
|--|--|
| 1. The persons acting as the Chairman of the Board and the Chief Executive Officer must not be the same. | Although the Company's Chairman of the Board and the Chief Executive Officer are the same person, the roles and responsibilities are carried out with integrity and transparency. The Company also has sufficient internal control, the check-and-balance mechanisms and the transparency, which are established on the CG principles. The duties have been operated with consideration on the benefits of all stakeholders. |
| 2. The tenure of an independent director exceeded accumulative term of 9 years | An independent director whose tenure exceeded 9 years is able to carry out the duties independently. The qualifications and experiences, as well as suggestions and recommendations are beneficial and in line with the CG Code and other related principles. The independent director does not have any roles in management, and does not have any relationship with executives, major shareholders and auditors. Although the tenure of an independent director exceeded accumulative term of 9 years, the board agreed that the independent director is qualified for the position as the Company's independent director. |

7.1 Corporate Governance Structure



7.2 Information of Board of Directors

The structure of the Company directors consists of committee and sub-committees of 4 sets which are the Audit Committee, the Remuneration Committee, the Corporate Governance Committee. However, Nomination Committee is formed occasionally when there is a director nomination. The details of each commission are described as follows: -

The Board of Directors (The details are in the directors' resumes in Appendix 1)

As of December 31st, 2023, the Board of Directors comprised of 12 persons as follows: -

| First Name-Surname | Position in the Board of Directors | Position in the Management |
|---|--|----------------------------|
| 1. Mr. Akira Kiyomizu | Chairman of the Board of Directors (Acting) Vice Chairman of the Board of Directors | Chief Executive Officer |
| 2. Mr. Pornchak Manutham | Director | - |
| 3. Pol. Maj. Gen. Supchan Manutham | Director | - |
| 4. Mr. Naoya Yamauchi | Director | - |
| 5. Mr. Ryoji Abe | Director | - |
| 6. Mr. Masashi Morimitsu | Director | - |
| 7. Mr. Sukthae Ruengwattanachot | Director | Chief Operation Officer |
| 8. Mr. Akom Kowthan | Director | - |
| 9. Mr. Yothin Vimooktayont | Independent Director | - |
| 10. Assoc. Prof. Dr. Lawan Thanadsillapakul | Independent Director and Chairman of Audit Committee | - |
| 11. Mr. Prasert Kitisakkul | Independent Director and Audit Committee | - |
| 12. Assoc. Prof. Pisit Vatanasomboon | Independent Director and Audit Committee | - |

Mr. Peerasak Khantavichai is the Company Secretary (Appointed on Feb 13, 2019).

Check and Balance of Non-Executive Directors

As of December 31st, 2023, the Board of Directors comprised of 12 directors as follows:

- Executive Directors 2 persons
- Non-Executive Directors 6 persons
- Independent Directors 4 persons
- Audit Committees (appointed from Independent Directors) 3 persons

The Company had 10 Non-Executive Directors, accounting for 83.33 % of the board members.

There were 3 Audit Committee members who are also in the position of Independent Directors, or 25% of the collective board members.

Report of the Board Members' Holding of Securities in 2022-2023

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

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

| First Name-Surname | Ordinary Shares (Share) | | | | |
|---|--------------------------------------|--------------------------|------------------|------------------------------------|-------------|
| | As of 31 st , DEC 2022 | Changes in 2023 | | As of 31 st , DEC, 2023 | |
| | | | | Shares | Portion |
| 1. Mr. Akira Kiyomizu Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 2. Mr. Pornchak Manutham Spouse and underage children | 1,000,000 - | Acquired - Acquired - | Sold - Sold - | 1,000,000 - | 0.93% - |
| 3. Pol.Maj.Gen.Supchan Manutham Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 4. Mr. Naoya Yamauchi Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 5. Mr. Ryoji Abe Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 6. Mr. Masashi Morimitsu Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 7. Mr. Sukthae Ruengwattanachot Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 8. Mr. Akom Kowthan Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 9. Mr. Yothin Vimoogtayon Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 10. Assoc.Prof.Dr. Lawan Thanadsillapakul Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |
| 11. Mr. Prasert Kitisakkul Spouse and underage children | 2,000 - | Acquired - Acquired - | Sold - Sold - | 2,000 - | 0.002% - |
| 12. Assoc.Prof. Pisit Vatanasomboon Spouse and underage children | - - | Acquired - Acquired - | Sold - Sold - | - - | - - |

The Authorized Directors

Mr. Pornchak Manutham or Pol. Maj. Gen. Supchan Manutham and Mr. Akira Kiyomizu or Mr. Ryoji Abe whereby two of them shall co-sign with the Company's seal affixed.

Appointment and removal of directors

1. At the AGM, the election of directors follows these rules and regulations:

- A shareholder has 1 vote for each share of which he/she is the holder.
- Each shareholder may exercise his/her voting right by electing candidates one by one or by

electing the whole group comprising a number of candidates which is equal to the number of directors to be elected at the meeting at one time. Each shareholder may not divide his/her votes into portions to various candidates.

- The candidates will be ranked in order descending from the highest number of vote received to the lowest and will be appointed as directors in order until the position required are filled. In case the votes are tied in which cause the number of directors to exceed the number of directors to be elected, the Chairman will have a casting vote on it.

2. At every AGM, one-third (1/3) of the directors will be retired by rotation, and, if the number of directors is not divisible by 3, the number of directors to be retired will be nearest to 1/3. The directors to be retired in the first and second year after the Company's listing will be done by drawing lots. For subsequent years, the directors in position for the longest term will be retired. The retired directors may be re-elected.

3. Any director wishing to resign from the position is to submit the resignation letter to the Company. The resignation will be effective on the date the resignation letter reaching the Company.

4. To vote for the removal of a director before the expiration of his/her tenure of office, a majority of not less than three-fourths (3/4) of the shareholders attending the meeting and entitled to vote and holding shares totally not less than a half of the share number held by shareholders attending the meeting and entitled to vote are required.

Scopes and responsibilities of the Board of Directors

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

The scopes under the responsibilities of the directors to consider and approve are as follow: -

- 1) The Board will defines the company's policies and business direction, as well as monitor and supervise its operations to maximize economic value and shareholders' wealth with the awareness of the responsibilities towards society and environment.
- 2) Consider the operation plans and enhance the Company's competency to be competitive in the international level;
- 3) Evaluate the Company's performance and the performance of the Chief Executive Officer;
- 4) The Board will establish effective and efficient Internal Control and Internal Audit systems.

- 5) Independent Directors and external directors will exercise their discretion independently in the consideration of strategies, management, utilization of resources, the appointment of directors and the operational standardization. They are to make objections against other directors or the Management as he or she sees fit in relation to all matters affecting the equitability of the shareholders.
- 6) Select an auditor and propose their fees at each annual shareholders' meeting;
- 7) If deemed necessary, the Board has the right to commission external consultants at the company's expense.
- 8) The board will appoint the Company Secretary to supervise the activities of the Board, and to assist the board in working in line with the Company's articles of association.
- 9) Propose the appointment and retirement of the directors
- 10) Consider transactions which could materially affect the Company's financial status, liabilities, business strategy and/or reputation.
- 11) The consideration of connected transactions between the parent company, subsidiaries or affiliates and related individuals requires a resolution from the Board of Director's Meeting or Shareholders' Meeting (if there are any subject matters).
- 12) The Board establishes the Code of Corporate Conduct, Code of Business Ethics and Code of Ethics as guidelines for organizational practices.
- 13) Be fully aware of roles, responsibilities and accountabilities of the Board of Directors and be respectful towards the rights of shareholders and stakeholders with fairness.
- 14) The disclosure of the information is accurate and sufficient, ensuring that the operations are transparent.
- 15) Protect the interest of both major and minority shareholders with equity.

The Board of Directors' Meeting; The Board of Directors' Meeting is held at least 4 times per year. The date of each meeting throughout the year is specified in advance. To function the meeting, the Chairman of the Board and the Chief Executive Officer are responsible for determining the agendas for the meeting, and each director is of the independence to propose any agendas deemed beneficial to the Company at the meeting. The Company Secretary will send the invitation letter along with the agendas and enclosed documents to the directors seven days prior to the meeting, from which the directors will have sufficient time to study the agendas in advance. In 2023, the Company held 5 sessions of the Board of Directors' Meeting. The Scopes of responsibilities of the Chairman of the Board are detailed as follows: -

- 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.

7.3 The information of Sub-Committees

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

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

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

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

Scopes and responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee is consistent with the roles of the Audit Committee members as specified in the regulations of the Stock Exchange of Thailand. The details are as follows:

- 1) Review the company's financial reporting process to ensure that it is accurate and adequate;
- 2) Review to ensure that the company has appropriate and efficient internal control and internal audit systems. Also consider the independence of internal audit unit, approve an appointment, transfer, or termination of the head of internal audit unit, or any other units in charge of an internal audit;
- 3) Review to ensure that the company is compliance with SEC's laws, SET's regulations, and other related business laws;
- 4) Consider, select, and nominate independent persons to act as auditor, suggest the remuneration, and attend non-management meeting with the auditor at least once a year;
- 5) Consider the connected transactions or the transactions that may cause conflicts of interests, making them in line with the laws and SET's regulations. This is to ensure such transactions are reasonable and for the highest benefit of the company;
- 6) Review and offer opinion on the internal control system and the performance of the Internal Control Department as well as coordinate with the Auditor;
- 7) Prepare an audit committee's report and disclose it in the company's annual report. The report must be signed by the audit committee's chairman and consist of at least following information:
 - (1) Opinion on the accuracy, completeness, and reliability of the company's financial reports
 - (2) Opinion on the adequacy of the company's internal control system
 - (3) Opinion on the compliance with SEC's laws, SET's regulations, or any other related business laws
 - (4) Opinion on the suitability of the auditor
 - (5) Opinion on transactions which may cause conflicts of interests

- (6) Number of the audit committee meetings, and attendance of such meetings by each audit committee member
 - (7) Opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter
 - (8) Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the board of directors
- 8) For the operation of Audit Committee, if the following transactions 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 the period deemed appropriate by the Audit Committee:
- (1) Transaction that might create conflict of interest
 - (2) Fraud or any irregularity or deficiency in internal control system
 - (3) Violation of 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 specified by Audit Committees, one of the Audit Committee might report to SEC or SET that there is an action of the above statement.
- 9) Monitor and evaluate the Anti-Corruption Measure to align with the Anti-Corruption Policy of the Company
 - 10) Acknowledge the result of investigation according to the Anti-Corruption Policy
 - 11) 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 consent of the Audit Committee

7.3.2 Independent Director

| Name-Surname | 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 Vimoogtayon | Independent Director |

Definition of Independent Director

The 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, for example, 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, for example, 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, for example, 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, for example, the parent company, its subsidiaries, its joint ventures, or juristic entities in potential conflict with the company, unless such association ended no less than 2 years before.

5) They are not be auditors of the Company, its corporations, its subsidiaries, its joint ventures, its major shareholders or its authorized persons and not significant shareholders, persons of controlling authority or partners of the auditing companies which employ the auditors of the Company, for example, 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.

7.3.3 Remuneration Committee comprised as follows: -

| Name-Surname | Position |
|--|---|
| 1. Mr. Pornchak Manutham | Chairman of Remuneration Committee |
| 2. Assoc.Prof.Dr. Lawan Thanadsillapakul | Independent Director/Remuneration Committee |
| 3. Mr. Prasert Kitisakkul | Independent Director/Remuneration Committee |
| 4. Mr. Masashi Morimitsu | Director/Remuneration Committee |

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

Scope and Responsibility of Remuneration Committee

- 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 be responsible for explaining and answering any questions regarding the Board of Directors' remuneration in Shareholders' meeting.
- 5) Responsible for other tasks related to remuneration of Directors and Management as assigned by the Board of Directors.
- 6) The Committee should operate in good faith.

7.3.4 Corporate Governance Committee comprised as follows: -

| Name-Surname | Position |
|---|--|
| 1. Assoc.Prof.Dr.Lawan Thanadsillapakul | Chairman of Corporate Governance Committee |
| 2. Mr. Masashi Morimitsu | Director/ Corporate Governance Committee |
| 3. Pol.Maj.Gen.Supchan Manutham | Director/ Corporate Governance Committee |
| 4. Mr. Akira Kiyomizu | Director/ Corporate Governance Committee |
| 5. Mr. Yothin Vimooktayont | Independent Director/ Corporate Governance Committee |

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

Scope and Responsibility of Corporate Governance Committee

- 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 Governance 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 Governance 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.

7.3.5 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.1/2020 on February 12, 2020 had the resolution to appoint the Nomination Committee temporarily for nominating Audit Committee members which comprised as follows: -

| Name-Surname | Position |
|------------------------------------|----------------------------------|
| 1. Assoc.Prof. Pisit Vatanasomboon | Chairman of Nomination Committee |
| 2. Mr. Akira Kiyomizu | Director/Nomination Committee |
| 3. Pol.Maj.Gen. Supchan Manutham | Director/Nomination Committee |

And Mr. Sukthae Ruengwattanachot was the secretary of Nomination Committee (NC) who has been appointed on February 12, 2020.

Scope and Responsibility of Nomination Committee

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

7.3.6 Other Sub-Committee

The Company has no other sub-committees except Audit Committee, Remuneration Committee, Corporate Governance Committee and Nomination Committee, from which Nomination Committee is formed occasionally when there's a director nomination.

7.4 The Management Committee

The Chief Executive Officer shall appoint Management Committee who has the responsibility to operate and supervise Company business. The management team working in various fields in the Company in the year 2023 consists of 6 persons as follows: -

| Name | Position |
|---------------------------------|--|
| 1. Mr. Akira Kiyomizu | Chief Executive Officer |
| 2. Mr. Sukthae Ruengwattanachot | Chief Operating Officer |
| 3. Mr. Sampan Hongwachin | Executive Manager (Production Division) |
| 4. Mrs. Phanchita Xivivadh | Executive Manager (Sales Division) |
| 5. Miss Phatcharee Apirak | Executive Manager (Operation Division) |
| 6. Mr. Hiroyuki Takahashi | Executive Manager (Engineering Division) |

Scopes and responsibilities of the Chief Executive Officer

The governance and coordination to achieve the goals specified in the policy and resolutions of the Board of Directors' Meeting. The authorization of power to the Management to execute any actions must be conducted under laws and the Company's articles of association.

- 1) To consider and approve operational plans of each department;
- 2) To consider and approve the proposals from the Company's departments that require delegated authority
- 3) To consider and approve the procurement and expenditure beyond the direct authority of the Management. The CEO is authorized to approve expenses and procurement of no more than 5 million baht and 10 million baht, respectively, except for raw materials for use in regular production
- 4) To primarily consider the expansion of operation or business before proposing to the Board of Directors for approval
- 5) To consider and approve the procurement of raw material for regular production
- 6) Responsible for final approval on the following matters:
 - (1) Changes of raw material procurement resources, both domestic and international
 - (2) Changes or specification of selling price
- 7) To primarily consider the annual bonus payment of the employees before proposing to the Board of Directors for approval
- 8) To consider merits, appointment, transfer, punishment, dismissal or commission of executives
- 9) To exercise authority as specified in the code of conduct
- 10) To exercise authority to act on behalf of the Company in signing sales evidence and delegates the authority to other personnel should the CEO is temporarily absent.
- 11) All approval authorities are limited to the delegation of authority on the approval of the connected transactions as defined by the Securities and Exchange Commission (SEC).
 - a) Monetary remuneration

In 2021–2023, the Company had paid remuneration consisting of salary and bonus payment to 6 executives. The details are as follows:

Unit: Baht

| Executive Remuneration | 2021 | 2022 | 2023 |
|------------------------|------------|------------|------------|
| Salary | 10,700,016 | 12,762,468 | 13,176,312 |
| Bonus payment | 3,564,773 | 3,883,931 | 4,146,799 |
| Other benefits | 2,157,204 | 1,697,400 | 2,027,400 |
| Total | 16,421,993 | 18,343,799 | 19,350,511 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

- b) Other remuneration

Unit: Baht

| Executive Remuneration | 2021 | 2022 | 2023 |
|------------------------|---------|---------|---------|
| Provident fund | 302,532 | 321,372 | 338,568 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

7.5 Employees Information

7.5.1 Number of employees

Number of employees of the company and its subsidiaries as of December 31st of the year 2021–2023 are detailed as follows:

Unit: Baht

| Number of employees | 2021 | 2022 | 2023 |
|---------------------|------|------|------|
| Office staff | 112 | 105 | 115 |
| Factory staff | 525 | 511 | 521 |
| Total | 637 | 616 | 636 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

Significance changes in number of employees in the past 3 years

- None

7.5.2 Employee Compensation

The consideration on payment for employee compensation is based on the Company's annual performance, personal assessment of each employee and performance of each department: all of these aspects are considered for the consistency of both short- and long-term operating results. The Company also has provident fund as means to provide long-term compensation for the employees.

a) Compensation and short-term benefits

The Company has stipulated compensation for employees in the forms of salary, bonus payment, Social Security contribution, additional compensations given upon professional certification and performance, etc. The Company conducts performance appraisal every year, the results from which will be used for consideration for bonus payment and annual salary increment as well as promotions and other compensations depending on qualifications and capabilities required by an employee's respective position. There is also the consideration for mid-year salary increment or special adjustment for employees with excellent performance and qualifications specified by the Company.

Unit: baht

| Compensation | 2021 | 2022 | 2023 |
|----------------|-------------|-------------|-------------|
| Salary | 137,512,847 | 151,128,056 | 163,473,109 |
| Bonus payment | 45,475,947 | 50,223,105 | 54,094,742 |
| Other benefits | 8,326,235 | 11,226,587 | 12,642,823 |
| Total | 191,315,029 | 212,577,748 | 230,210,674 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

b) Other compensation

Unit: baht

| Other compensation | 2021 | 2022 | 2023 |
|--------------------|-----------|-----------|-----------|
| Provident fund | 4,143,982 | 4,671,691 | 5,102,772 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC.

c) Provident fund

The Company provides provident fund as employee benefit, aiming to encouraging long-term savings for employees. This helps employees earn savings for use after retirement or resignation. Employees can choose savings rates, ranging from 3-15% of their monthly wages. They can also choose investment plans as appropriate. The Company provides contribution based on an employee's years of services, ranging 3-4% of an employee's wages.

| Year of services | Employer's contribution (% of wages) |
|-------------------|---|
| Below 5 years | 3 |
| 5 years and above | 4 |

In 2022-2023, the Company's provident fund was detailed as follows:

| Year | Employees participating (persons) | Ratio of employees participating to total number of employees (%) | Employer's contribution (baht) |
|------|--------------------------------------|--|-----------------------------------|
| 2022 | 498 | 80.84 | 4,993,063 |
| 2023 | 509 | 80.03 | 5,441,340 |

Source: The Human Resources Department, Yuasa Battery (Thailand) PLC

Human resources management policy and employees' welfare

Yuasa Battery (Thailand) PLC recognizes importance of "employee value propositions" and "human resources management." Apart from human resources development, which is aimed at improving employees' knowledge and skills in business operations. The Company also places importance and expresses concerns on creating working atmosphere for employees' physical and mental wellness, leading to the delivery of quality products of work. The policy consists of 5 aspects:

1. Labor structure

The Company is concerned about the importance of the residence around the factory, providing them job opportunities with supports on employment in the aforementioned areas through recruitment and selection. In addition, the Company encourages and supports students in the area with the opportunities to gain work experiences and get ready before entering the labor market.

2. Rights and equality of employees

The Company adheres to the principle of equality and the capabilities of all employees as stated in the Company's code of ethics. Employees are being nurtured with the principles, starting from the first day of work. The principles cover human rights stipulated by laws. The Company recognizes the employees' quality of life, operations and company activities. The Company also supports the continuous improvement of each employee.

3. Management of wages and benefits

The Company manages employees' wages under the code of ethics, placing importance on each employee's capabilities, career paths and self-improvement and development. In terms of benefits, the Company adheres to the benefits and needs of the majority of employees, which are in consistent of the situations and the Company's performance. The Company continues to supervise the employees with regular improvement, offering employees with security and stability in being employed by the Company.

4. Occupational Health and Safety Management

The Company adheres to the management of occupational health and safety with the stipulation of "Zero Accident" target. The stipulated safety standards cover business partners, external parties relevant to the business and the community as a whole.

5. Employee development

The Company continues to improve and develop learning modules and formats in compliance with the atmosphere and business direction. This is aimed at equipping employees with knowledge and skills for effective operations. The Company has established the guidelines for employee development in various forms, aiming to enhance employees' potential, including:

- The establishment of e-learning system which encourages timely self-learning; and
- The development through on-the-job training which can be acquired from the knowledge-sharing method carried out by the senior team members

In addition, the Company has a policy to make the best utilization of information technologies and software by adopting and applying them on human resources management and employees' welfare, including HR Management, Time Management, and Online Leave platform. They can be quickly applied in compliance with the Company's operation.

Significant labor disputes during the past 3 years

There had been no significant labor dispute during 2021–2023.

7.6 Other Important Information

7.6.1 The Assigned Persons by the Company to act as Accounting Supervisor, Company Secretary, Head of Internal Audit, have the details as follow: -

a) Accounting Supervisor

The Company has assigned Miss Patcharee Apirak to be the Executive Director (Operating Division) as the Company's accounting supervisor.

b) Internal Audit Supervisor

The company assigned Miss Darawan Suksawat to be Assistant General Manager of Internal Audit Department and the Board of Directors has resolved to appoint Miss Darawan as the secretary of the Audit Committee on May 10th, 2006.

c) Company Secretary

The board of directors has resolved to appoint Mr. Peerasak Khantavichai to hold the position of Company Secretary on February 13th, 2019.

In order to proceed the Company's operations in accordance with the principles of corporate governance, the Company Secretary shall perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 with responsibility, caution and honesty as well as to comply with the law, objectives, Company's regulations as well as the resolution of Board of Directors, and the resolutions of Annual General Shareholder's Meeting. In this regard, the Board of Directors Meeting No. 1/2019 on February 13, 2019 has resolved to appoint Mr. Peerasak Khanthavichai to be the 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) Other acts as assigned by the board.

7.6.2 Auditor of the Company

a) Audit fees

In 2023, the Annual General Shareholder's Meeting resolved to appoint Miss Supanee Triyanantakul, CPA No.4498 or Mrs. Chonlaros Suntiasvaraporn, CPA No.4523 or Miss Sirirat Sricharoensup, CPA No.5419 of EY Office to be the external auditor of the Company. The details of the auditor, audit fees and other service fees are as follows:

| *Audit Fee (Unit : baht) | 2023 |
|--|------------------|
| Audit fee of Yuasa Battery (Thailand) Company Limited | |
| <ul style="list-style-type: none"> Audit fee for reviewing the Company's financial statements and the fee for reviewing the consolidated financial statements of the 3 quarters | 450,000 |
| <ul style="list-style-type: none"> Audit fee and consolidated audit fees for the period of December 31 | 1,400,000 |
| Total audit fees | 1,850,000 |

* The above audit fees do not include transportation costs for traveling to work at the Company, expenses for allowance, accommodation and traveling to work upcountry

b) Non-Audit Fees

The Company and its subsidiaries did not have any other service fees other than the audit fees paid to the Auditor.

8.1 Report of the performance of the Board of Directors in the previous year

8.1.1 Nomination, development, and evaluation of the performance of duties of directors

a) Selection of a person to be appointed as a director

Method for the selection of a person to be appointed as a director

In each nomination of new directors, the Company will appoint a Nomination Committee to nominate suitable persons to the Board of Directors from time to time. The Company has established guidelines for appointing directors based on suitability in compliance with business strategies. The Company has the Board Diversity policy: the board members are selected based on professional backgrounds, specialized fields, knowledge, expertise and experiences relevant to the business without limitation in age, gender, religion or other bars. The Company utilizes Director Pool provided by the Thailand's Institute of Directors (IOD) as one of the constituents in the selection of new directors. Persons appointed as directors or the Company's executives must possess qualifications stated in the Public Limited Company Act B.E. 2535 as well as other relevant laws and regulations, after which the Nomination Committee will propose to the Board of Directors to consider and forward the list of nominated candidates to shareholders for consideration as the final step.

In case where the retiring directors are nominated; according to the Company's articles of association, one-third of the board are due to retire; and in case where the retired directors are to be re-elected, the board will consider the suitability, qualifications, capabilities and experiences which will be the most beneficial for the Company's operations. Once re-selected, it will be proposed for the consideration of shareholders as the final step.

Appointment of the Board of Directors

The nomination of persons to be appointed as the board members must be approved by the shareholders' meeting. The Company grants the opportunity for all shareholders to nominate persons to be elected as directors. For 2023, they were allowed to nominate the persons via the Company's website in advance on September 29th, 2023–December 31st, 2023. At the Annual General Shareholders' Meeting (AGM), the Company will provide personal profiles of each nominated person for shareholders, from which they can decide based on the information obtained.

To elect directors, a ballot will be used by an individual. Criteria and procedures are as follows:

1. A shareholder has a vote equal to one share per one vote.
2. Each shareholder must use all available votes under (1) to elect one person or more persons to be a director, but the votes cannot be divided in case of electing more than one person.
3. Person receiving the highest number of votes in descending order be elected as directors equal to the number of directors required or should be elected at that time in case of persons elected in descending order having equal votes, exceeding the number of directors to have or to be elected at that time, the chairman shall have the casting vote.

In addition, the Company has set up sub-committees for auditing, nomination and remuneration of top executives. Currently, the Company has sub-committees as follows: -

- **Audit Committee**

The Audit Committee consists of 3 independent directors and holds no more than 1% of the Company's shares and have knowledge and understanding including experience in accounting and/or finance. The Audit Committee is responsible for alleviating the Board of Directors' duties in ensuring that the Company has a good corporate governance system, especially the duty of providing vision and giving

honest opinions on financial reports, internal control system of the Company, and compliance with the law, related rules and regulations as well as to ensure that financial reports are fully disclosed and in accordance with relevant standards and requirements. This results in reliable and good quality financial reports that add value to the organization.

The Company's Audit Committee hold the meeting at least once a quarter to supervise and follow the issues above. The Company's auditors are also present at every meeting in the agenda regarding financial reports.

At present, the Company's internal auditors are in charge of the activities of the Audit Committee, the organizer of the meeting, who prepares agenda, documents involved in the meeting, submits the meeting agenda to the Audit Committee. There is also a function to record meeting minutes as well as being a keeper of meeting records.

- **The Remuneration Committee**

The Company's Remuneration Committee consists of 4 members who were appointed by the Board of Directors. The Remuneration Committee is responsible for ensuring that the Company operates transparently and fairly in providing remuneration to directors and executive level of the Company.

In determining compensation, the remuneration committee considers several factors, including comparison with the level of practice in the same industry, the performance including duties and responsibilities.

- **The Corporate Governance Committee**

The Corporate Governance Committee consists of 5 members. The Corporate Governance Committee is responsible for setting guidelines and proposing guidelines to encourage directors, executives and employees of the Company to perform their duties and to have responsibility in accordance with the framework of Corporate Governance Policy, Anti-Corruption Policy, as well as to ensure good practice in accordance with ethics and codes of conduct in conducting business of directors, executives and employees of the Company.

- **The Nomination Committee**

The Board of Directors will establish the Nomination Committee when it is necessary to appoint new directors. The Nomination Committee consists of 3 directors who are responsible for determining the criteria and policies for the selection of independent directors, by considering the suitability of the number, structure and composition of the Board of Directors, determining the qualifications of independent directors to propose to the Board of Directors and/or propose for the approval of the Annual General Shareholders' Meeting, case by case and considering the selection and nomination of suitable persons for the position of independent directors who complete their terms and/or vacant positions and/or appoint more.

- **Other Sub-Committees**

The Company has no other sub-committees except Audit Committee, Remuneration Committee, Corporate Governance Committee and Nomination Committee, from which Nomination Committee is formed occasionally when there's a director nomination.

b) The development of the Board of Directors

The Board of Directors has stipulated the guidelines for the development of the director as follows:

- 1) The Company's Board of Directors promotes and supports all directors to regularly participate in trainings or seminars to advance their professional knowledge. The secretary of each sub-committee is assigned to coordinate with the directors to notify them of training and seminars available.
- 2) At every rotation of directors, there will be an orientation in which directors will be informed about their roles, responsibilities and accountabilities as well as the Company's structure and business. Documents — articles of association, corporate governance handbook, business code of ethics, code of conduct and other information related to the Company's business — will be provided. The newly-appointed directors will also be registered for the training organized by the IOD.

c) The Board of Director's evaluation

The Company conducts the evaluation on the performance of the Board of Directors every year. The entire board will be evaluated collectively. The Company Secretary is responsible for forwarding the evaluation form to all directors from which they are to evaluate the performance of the board. The Company Secretary will gather and proceed with finalizing the appraisal, after which the results will be submitted to the Chairman of the Board, and later to the Board of Directors' Meeting. The evaluation follows the six-item criteria issued by the Stock Exchange of Thailand consisting of the structure and qualifications of the Board of Directors; roles, responsibilities and accountabilities of the Board of Directors; the Board of Directors' Meeting, the Board of Directors' discharge of duties, the relationship with the Management and the self-development of the directors and the executives.

Results of the Board of Directors' Performance Evaluation as of 2023

| | Results of the Evaluation | |
|------------------------|---------------------------|--------|
| | Marks | Rating |
| The Board of Directors | 3.61 | Good |

Summarizing the results of the Board of Directors' Performance Evaluation as of 2022, the rating was "Good." In this regard, the board members are urged to consider the results, adopt and apply them to benefit the efficiency enhancement of the board's performance.

8.1.2 The Meeting Attendance and the remuneration of directors

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 2023 on April 7th, 2023 determined the remuneration of Board of Directors and subcommittees as follows:

The Remuneration of the Board of Directors' Committee, Audit Committee, and sub-committees in 2023

(Unit : Baht)

| Group | Position | Meeting allowance (/time/person) | Yearly remuneration (/year/person) | Quarterly remuneration (/quarter/person) | Other privilege |
|--|----------|-------------------------------------|--|---|-----------------|
| The Board of Directors | Chairman | 15,000 | Not over 7,0000,000 baht, which shall be allocated by the Board of Directors | - | -None- |
| | Director | 12,500 | | - | -None- |
| Audit Committee | Chairman | 15,000 | 100,000 | 10,000 | -None- |
| | Director | 12,500 | 80,000 | 10,000 | -None- |
| Subcommittees - Remuneration Committee - Cooperate Governance Committee - Nomination Committee | Chairman | 15,000 | - | - | -None- |
| | Director | 12,500 | - | - | -None- |

For the yearly remuneration of directors of year 2023, on February 13th, 2024, the Board of Directors' meeting no.1/2024 had a resolution to pay the yearly remuneration of directors at 5.16 million baht or not over 7 million baht. The remuneration will be allocated to all directors equally in line with their respective tenure.

The Remuneration and the Frequency of the Board of Directors' Meetings in 2023

(Unit : Baht)

| Directors | Yearly remuneration | | Meeting Allowance | | Meeting Participation/ Meeting held per year | |
|--|---------------------|---------|-------------------|--------|---|-----------------------------|
| | 2022 | 2023 | 2022 | 2023 | Regular Tenure (2022) | Regular Tenure (2023) |
| 1. Mr. Akira Kiyomizu | 416,000 | 430,000 | 75,000 | 75,000 | 5/5 | 5/5 |
| 2. Mr. Pornchak Manutham | 416,000 | 430,000 | 62,500 | 62,500 | 5/5 | 5/5 |
| 3. Pol. Maj. Gen. Supchan Manutham | 416,000 | 430,000 | 62,500 | 62,500 | 5/5 | 5/5 |
| 4. Mr. Ichiro Murata | 357,067 | - | 37,500 | - | 3/4 | - |
| 5. Mr. Naoya Yamauchi | 312,000 | 430,000 | 50,000 | 50,000 | 4/4 | 4/5 |
| 6. Mr. Tsuyoshi Tanikuchi | 104,000 | - | 12,500 | - | 1/1 | - |
| 7. Mr. Ryoji Abe | 312,000 | 430,000 | 50,000 | 62,500 | 4/4 | 5/5 |
| 8. Mr. Kazuma Saito | 104,000 | - | 12,500 | - | 1/1 | - |
| 9. Mr. Masashi Morimitsu | 58,933 | 430,000 | 12,500 | 62,500 | 1/1 | 5/5 |
| 10. Mr. Sukthae Ruengwattanachot | 416,000 | 430,000 | 62,500 | 62,500 | 5/5 | 5/5 |
| 11. Mr. Prapat Pitaknitinan | 416,000 | 53,750 | 62,500 | 12,500 | 5/5 | 1/1 |
| 12. Mr. Akom Kowthan | - | 66,250 | - | 50,000 | - | 4/4 |
| 13. Mr. Yothin Vimooktayont | 416,000 | 430,000 | 62,500 | 50,000 | 5/5 | 4/5 |
| 14. Assoc. Prof. Dr. Lawan Thanadsillapakul | 416,000 | 430,000 | 62,500 | 62,500 | 5/5 | 5/5 |

| Directors | Yearly remuneration | | Meeting Allowance | | Meeting Participation/ Meeting held per year | |
|--------------------------------------|---------------------|------------------|-------------------|----------------|---|-----------------------------|
| | 2022 | 2023 | 2022 | 2023 | Regular Tenure (2022) | Regular Tenure (2023) |
| 15. Mr. Prasert Kittisakkul | 416,000 | 430,000 | 62,500 | 62,500 | 5/5 | 5/5 |
| 16. Assoc. Prof. Pisit Vatanasomboon | 416,000 | 430,000 | 62,500 | 62,500 | 5/5 | 5/5 |
| Total | 4,992,000 | 4,850,000 | 750,000 | 737,500 | - | - |

The Remuneration of the Audit Committee in 2022-2023

(Unit : Baht)

| Audit Committee | Quarterly and yearly remuneration | | Meeting allowance | | Meeting Participation/ Meeting held per year | |
|--|--------------------------------------|----------------|-------------------|----------------|---|-------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| 1. Assoc.Prof.Dr. Lawan Thanadsillapakul | 140,000 | 140,000 | 195,000 | 195,000 | 13/13 | 13/13 |
| 2. Mr. Prasert Kittisakkul | 120,000 | 120,000 | 162,500 | 162,500 | 13/13 | 13/13 |
| 3. Assoc.Prof. Pisit Vatanasomboon | 120,000 | 120,000 | 162,500 | 162,500 | 13/13 | 13/13 |
| Total | 380,000 | 380,000 | 520,000 | 520,000 | - | - |

The Remuneration of the Remuneration Committee in 2022-2023

(Unit : Baht)

| Remuneration Committee | Meeting allowance | | Meeting Participation/ Meeting held per year | |
|--|-------------------|----------------|---|------|
| | 2022 | 2023 | 2022 | 2023 |
| 1. Mr. Pornchak Manutham | 45,000 | 60,000 | 3/3 | 4/4 |
| 2. Assoc.Prof.Dr. Lawan Thanadsillapakul | 37,500 | 50,000 | 3/3 | 4/4 |
| 3. Mr. Prasert Kittisakkul | 37,500 | 50,000 | 3/3 | 4/4 |
| 4. Mr. Ichiro Murata ^① | 12,500 | - | 1/2 | - |
| 5. Mr. Masashi Morimitsu ^② | 12,500 | 50,000 | 1/1 | 4/4 |
| Total | 145,000 | 210,000 | - | - |

Remark: ① Mr. Ichiro Murata resigned from the position of the Remuneration Director on November 10th, 2022.

② Mr. Masashi Morimitsu was appointed as the Remuneration Director on November 10th, 2022.

The Remuneration of the Corporate Governance Committee in 2022-2023

(Unit : Baht)

| Corporate Governance Committee | Meeting allowance | | Meeting Participation/ Meeting held per year | |
|--|-------------------|------|---|------|
| | 2022 | 2023 | 2022 | 2023 |
| 1. Assoc.Prof.Dr. Lawan Thanadsillapakul | 45,000 | - | 3/3 | - |
| 2. Pol.Maj.Gen.Supchan Manutham | 37,500 | - | 3/3 | - |
| 3. Mr. Yothin Vimooktayont | 37,500 | - | 3/3 | - |

| Corporate Governance Committee | Meeting allowance | | Meeting Participation/ Meeting held per year | |
|--------------------------------|-------------------|----------|--|----------|
| | 2022 | 2023 | 2022 | 2023 |
| 4. Mr. Akira Kiyomizu | 37,500 | - | 4/4 | - |
| 5. Mr. Ichiro Murata① | 12,500 | - | 1/1 | - |
| 6. Mr. Masashi Motimitsu② | 50,000 | - | 2/2 | - |
| Total | 220,000 | - | - | - |

Remark: ① Mr. Ichiro Murata resigned from the position of the Corporate Governance Director on November 10th, 2022.

② Mr. Masashi Morimitsu was appointed as the Remuneration Director on November 10th, 2022.

The Board of Directors had resolved to appoint the Nomination Committee temporarily in the Board of Directors' Meeting no.1/2020 on February 12th, 2020. As for the remuneration of the Nomination Committee in 2022-2023, there was no meeting to nominate any director.

Other allowance -None-

8.1.3 The Governance of the Company and its subsidiary

As of 2023, the Company was of no possession of subsidiaries. The Company, however, has a policy to disclose the acquisition and disposition of assets and the connected transactions between the Company and an individual(s) or subsidiaries of the major shareholders as prescribed in the notification of the Stock Exchange of Thailand.

8.1.4 The monitoring to ensure compliance with corporate governance policies and guidelines

The Company has placed importance in good corporate governance. The relevant policies and guidelines have been set in the Company's corporate governance policy and business ethics, as well as to promote real practice to build confidence in all groups of stakeholders.

In the previous year, the Company has followed up to ensure compliance with good corporate governance covering 1) employee care and non-discrimination, 2) anti-unfair competition, 3) environmental, sanitation and safety in the organization, and 4) Information security. The follow-up results showed that the Company has fully implemented the guidelines for each issue.

In addition, the Company has also followed up to ensure compliance with 4 other corporate governance issues as follows: the prevention of Conflicts of Interest, the exploitation of internal information, the anti-corruption, and the whistleblowing.

a) The prevention of conflicts of interest

The Company has set a policy that the Board of Directors, executives and employees must perform their duties in the best interests of the Company. In the event that any person has any stakes or is involved in any item under consideration, such person must notify the Human Resources Department or the Company Secretary who is in charge of such matters for the acknowledgment.

In the previous year, the Company has examined cases that may cause conflicts of interest, and did not find any conflict-of-interest transactions of directors, executives and employees.

b) The exploitation of internal information

The Company has established a policy to prevent the exploitation of internal information in order to prevent the exploitation of internal information for the Company's securities trading, by notifying directors and executives, as well as the department related to important information to be refrained from trading in the Company's securities, for example, refraining from trading for 30 days in advance before the financial statements are disclosed, and can trade 1 working day after it has been disclosed, including refraining from trading during the period that other important information is known by the directors and executives, but that information has not yet been disclosed to the investors, etc.

In the previous year, it was not found that directors and executives had trading in securities during the period specified by the Company to be refrained from trading.

c) The anti-corruption

- The Company expressed its intention to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC) project on November 16, 2020.
- The Company was certified as a member of the CAC on March 31st, 2022.

However, the Company has taken actions in accordance with the anti-corruption and corruption policy as follows:

(1) The Company has communicated to both directors, executives and employees, by stipulating that every process is strictly within the legal scope, or if there is an error in the operation process due to carelessness, there shall be punishment by the government without lobbying for the acquittal.

(2) The Company provides a channel to report if there is any violation of the policy, or corrupt acts, and have protection measures for reporters.

Anyhow, the Company has disclosed the details of policies and actions to prevent an involvement in corruption on the Company's website, under the topic of corporate governance.

d) The whistleblowing

The Company has provided the channels for stakeholders to report clues and file complaints through the channels provided by the Company, via E-mail, website, post-mail; by delivering it to Human Resources Department, Legal Department or Company Secretary. After that, the complaint will be further considered.

Channels to submit complaints

| | |
|--------------------|---|
| E-mail | company_secretary@yuasathai.com |
| Company's website | www.yuasathai.com >> Menu >> Company Profile >> Organizational Sustainability |
| Suggestion Postbox | Suggestion and complaint postbox |
| Post-mail | Yuasa Battery (Thailand) PLC, 164 Moo 5 Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muangsamutprakan, Samutprakan 10280 |

Complaints reported in 2023

| Misconducts & Offenses | | Whistleblowing | Measures | | | |
|------------------------|---|----------------|-------------------|--------------------|------------|-----------|
| | | | Verbal warning | Written warning | Suspension | Dismissal |
| 1. | Violations of CG Code, Business code of ethics, and code of conduct | No | - | - | - | - |
| 2. | Violations of Company's rules and regulations | Yes | - | - | - | / |
| 3. | Corruption | No | - | - | - | - |
| 4. | Illegal actions | No | - | - | - | - |
| 5. | Violations of human rights and unfair treatment at work | No | - | - | - | - |

Remark: Such misconducts did not affect the Company financially, however, the offences violated the Company's code of conduct. Therefore, the Company terminated the employee with misconducts above.

8.2 Report on the performance of the Audit Committee in the previous year

The details of operations are in Appendix 6: Report from the Audit Committee.

9.1 Internal Control and Related Transactions

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 improve transparency in the operations. 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 on the Company's internal control system. Upon receiving the reports from Financial and Accounting Department and other departments, and the 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 invited to provide additional information and countermeasures to the Board of Directors.

Having considered the above-mentioned issues, In the year 2023, the Audit Committee had the opinion that the internal control system was sufficient for contributing to the efficiency and effectiveness of all working systems. Financial statements were also of credibility, while the adequacy of information disclosure was in line with the Thai Accounting Standards and abided by the related laws and regulations of the Securities and Exchange Commission and Stock Exchange of Thailand. At the Board of Directors' meeting 1/2024 on the 13th of February, 2024, the Board of Directors and the Audit Committee considered and evaluated the efficiency of internal control system of the Company. The Board of Directors mutually agreed with the Audit Committee on the evaluation.

However, the Audit Committee had additional advices for more efficient and effective internal control within the Company as follows: -

1) Maintain focus on default risk : AC had regularly been monitoring trade receivables overdue information as a preventive measures for default risk. In parallel, the Management had closely been following up on payment of major customers, as the defaults could materially affect sales and provision amounts. AC advised that the Management continue an emphasis on default risk management.

2) Monitor progress of major investment : as per recommendations in the circular letter from SEC dated September 12, 2023 regarding role and responsibilities of AC in monitoring and preventing inappropriate behaviors of listed companies that might affect shareholders, in 2024 AC will monitor progress of major projects approved by the BOD in 2023, such as Solar Rooftop, Improvement of battery production lines, and the Enterprise Resource Planning (ERP) system.

AC maintained opinion that risk management is an important practice in operating the business. As the current economic condition may affect customer's payment capability, AC pays attention to credit management of the Company particularly customer's payment status, by closely monitoring preventive mechanism for credit risk and default risks. In addition, as per the aforementioned SEC circular letter dated September 12, 2023 regarding duties of AC in prevention of inappropriate behaviors of listed companies, AC had informed the Management in the BOD Meeting the recommended practice, for the collaboration and support in order that AC can conduct duties efficiently to prevent compliance or other types of risks that could adversely affect the Company

Head of internal audit Department of the Company

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.

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

The details of the head of internal audit of the Company are in accordance with Appendix 3.

9.2 Related Transaction

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

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

Relation: GYIN is the Company's major shareholder, holding 40.69% of shares.

| Type of Transaction | Amount (Million Baht) | | Price, Fees and Others | Remark |
|--|--------------------------|-------|---|--|
| | 2022 | 2023 | | |
| - Agreement on use the brand name "Yuasa" Company paid royalty in return for the usage and MOU to use the brand from buying the battery from the affiliated company to sell. | 44.13 | 47.24 | 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's service expense | 1.13 | 0.89 | | |
| - Company's accrued expense | 44.13 | 47.24 | | |
| - Company bought batteries, materials, machines and spare parts. | 48.06 | 40.80 | The buying 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. |
| - Company sold batteries to GYIN. | 3.76 | 20.21 | The selling prices were cost-plus pricing. | |
| - Company's accrued expense | 8.17 | 6.90 | | |
| - Company's accrued income | 0.37 | 0.85 | | |

9.2.2. Other transactions between Company and its related companies

| Company | Type of Transaction | Amount (Million Baht) | | Price, Fee and Others | Remark |
|--|---------------------------------------|--------------------------|--------|--|---|
| | | 2022 | 2023 | | |
| - Yuasa Battery (Malaysia) | - Company sold batteries | 170.13 | 134.22 | The trading prices were the market's rate. | The transactions were normal; no any trading agreement. |
| | - Company's accrued income | 36.68 | 28.05 | | |
| | - Company purchased materials | - | 0.04 | | |
| - Taiwan Yuasa Battery | - Company's income from commission | 2.58 | 1.42 | The trading prices were mutually agreed prices. | The transactions were normal; no any trading agreement. |
| | - Company's accrued income | 1.05 | - | | |
| - Siam GS battery Co.Ltd. | - Company purchased batteries | 84.08 | 98.41 | The trading prices were the market's rate. | The transactions were normal; no any trading agreement |
| | - Company's accrued expense | 16.26 | 16.96 | | |
| - P.T. Trimitra Batterai Prakasa Co.Ltd. | - Company purchased batteries | 81.64 | 97.43 | The trading prices were the market's rate. | The transactions were normal; no any trading agreement |
| | - Company's accrued expense | 11.63 | 20.89 | | |
| - Siam Battery Shunde Co.Ltd. | - Company sold batteries | 24.31 | 8.63 | The trading prices were cost-plus pricing. | The transactions were normal; no any trading agreement |
| | - Company's accrued income | 2.03 | - | | |
| - Yuasa Battery, Inc. (United States) | - Company sold batteries | 1.24 | 1.57 | The trading prices were cost-plus pricing. | The transactions were normal; no any trading agreement. |
| | - Company's accrued income | 0.36 | 0.29 | | |
| - Tata AutoComp GY Batteries Private Co.Ltd. | - Company sold batteries | 0.003 | 1.65 | The trading prices were cost-plus pricing. | The transactions were normal; no any trading agreement. |
| | - Company's accrued income | 0.003 | 0.69 | | |
| - PT Yuasa Battery Indonesia Co.Ltd. | - Company sold other | - | 0.07 | The trading prices were mutually agreed prices. | The transactions were normal; no any trading agreement. |
| | - Company's accrued income | - | 0.04 | | |
| - GS battery Vietnam Co.Ltd. | - Company sold other | - | 0.23 | The trading prices were mutually agreed prices. | The transactions were normal; no any trading agreement. |
| | - Company's accrued income | - | 0.03 | | |
| | - Company sold other | - | 0.02 | | |

9.2.3 The necessity and reasonability of the related transactions

The above related transactions are for the best interest of the Company. The related transactions that occurred in years 2022-2023 are regular related transactions that occurred on a monthly basis which are fair and reasonable.

It can be divided into 3 types, namely, normal trading transactions, royalty transactions and others.

The above normal trade transactions are the purchase of raw materials, batteries, machinery and spare parts from a joint venture company (GYIN) and affiliates with the largest joint venture and battery sales list to GYIN and its affiliates with the largest joint venture. The aforementioned items are considered to be priced according to the market price which contributes to supporting the operations of the Company, both in production and distribution. There may be a high shipping cost for some items if purchased from another supplier because there is a small order quantity and may not be of qualified. As for the sale of goods, it helps to sell in the market that the Company is inaccessible, such as distant countries.

List of royalties and others are internationally popular program for trademark use and technology transfer. The expenses incurred are a competitive level.

9.2.4 Measures or procedures for approval of related party transactions

According to the Company's policy, the procedures for entering into related transactions with persons who may have a conflict of interest must be scrutinized by the management, and propose to the Audit Committee, Board of Directors for the approval, and according to the Company's Articles of Association, the directors who have interests in such matters will not have the right to vote. In addition, such transactions will be disclosed in accordance with the announcements and regulations of the Stock Exchange of Thailand, and/or the Securities and Exchange Commission including the disclosure of details of the transactions according to the accounting standards prescribed by the Federation of Accounting Professions and in case of related transactions which are commercial agreements with general trading conditions, the Board of Directors has resolved to approve the principle that the management is authorized to make the transaction, and the management will prepare a summary report to the Board of Directors' meeting of the transaction every quarter (if any).

9.2.5 Policy or trend of future related party transactions

The Company's policy in regard of the related transactions with persons who may have conflicts of interest, are transactions that support the Company's business operations by considering the reasonability of the transaction and the benefit the Company. The trend of related transactions that will occur with such persons in the future is as follows: -

1) Raw material purchase list, to buy and sell products according to normal trade between the Company and GS Yuasa International Company Limited, which is the major shareholder of the Company and affiliated companies with the same major shareholder.

2) Royalty fee list and technology assistance from GS Yuasa International Company Limited, which is a major shareholder.



03

FINANCIAL STATEMENTS

Yuasa Battery (Thailand) Public Company Limited

Report and financial statements

31 December 2023

Independent Auditor's Report

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

Opinion

I have audited the accompanying financial statements of Yuasa Battery (Thailand) Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yuasa Battery (Thailand) Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

Allowance for diminution in value of inventory

The Company had a significant net outstanding balance of inventory as at 31 December 2023 amounting to Baht 430 million, as 27 percent of total assets, which was material to financial statements. Since prices of lead as raw material for batteries fluctuated in line with changing supply and demand in the global market, leading to effect on battery production costs. Especially, there was increased in lead prices, but the Company was limited in its ability to increase the selling prices of batteries. As a result, estimating the net realisable value of inventory as disclosed in Note 8 to the financial statements requires detailed analysis of the product life cycle, the competitive environment, economic circumstances, situations within the industry and basis applied in estimating prices of batteries. There is thus a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I performed analytical review on trend of lead prices for the end and subsequent of reporting period, the inventory holding periods and inventory movements to identify products with indicators of lower-than-normal inventory turnover, including analytical review on gross profit ratio. Moreover, 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 which the selling price was from the latest invoice or price list less estimated cost to complete and to make the sale.

Other Information

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

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

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

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

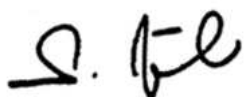
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters. I describe these matters 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.

I am responsible for the audit resulting in this independent auditor's report.



Supanee Triyanantakul

Certified Public Accountant (Thailand) No. 4498

EY Office Limited

Bangkok: 13 February 2024

Yuasa Battery (Thailand) Public Company Limited
Statements of financial position
As at 31 December 2023

(Unit: Baht)

| | <u>Note</u> | <u>2023</u> | <u>2022</u> |
|--|-------------|-----------------------------|-----------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 247,584,494 | 414,816,600 |
| Trade and other receivables | 7 | 424,436,276 | 393,450,897 |
| Inventories | 8 | 430,426,146 | 317,650,476 |
| Other current assets | | 9,570,444 | 8,766,112 |
| Total current assets | | <u>1,112,017,360</u> | <u>1,134,684,085</u> |
| Non-current assets | | | |
| Advances for purchases of fixed assets | | 6,760,259 | - |
| Investment properties | | 2,320,906 | 2,320,906 |
| Property, plant and equipment | 9 | 444,217,631 | 407,644,870 |
| Right-of-use assets | | 7,055,101 | 9,542,754 |
| Other intangible assets | | 4,119,376 | 4,104,336 |
| Deferred tax assets | 14 | 23,141,948 | 20,072,671 |
| Other non-current assets | | 49,650 | 51,650 |
| Total non-current assets | | <u>487,664,871</u> | <u>443,737,187</u> |
| Total assets | | <u><u>1,599,682,231</u></u> | <u><u>1,578,421,272</u></u> |

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

Yuasa Battery (Thailand) Public Company Limited
Statements of financial position
As at 31 December 2023

| | <u>Note</u> | <u>2023</u> | (Unit: Baht) <u>2022</u> |
|--|-------------|----------------------|-----------------------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 323,051,357 | 399,361,500 |
| Current portion of long-term lease liabilities | | 3,400,675 | 2,944,208 |
| Income tax payable | | 19,787,030 | 18,373,441 |
| Other current liabilities | | 32,903,401 | 29,125,148 |
| Total current liabilities | | 379,142,463 | 449,804,297 |
| Non-current liabilities | | | |
| Long-term lease liabilities - net of current portion | | 4,223,900 | 7,023,734 |
| Provision for long-term employee benefits | 11 | 113,750,647 | 99,109,340 |
| Total non-current liabilities | | 117,974,547 | 106,133,074 |
| Total liabilities | | 497,117,010 | 555,937,371 |
| Shareholders' equity | | | |
| Share capital | | | |
| Registered | | | |
| 107,625,000 ordinary shares of Baht 1 each | | 107,625,000 | 107,625,000 |
| Issued and fully paid | | | |
| 107,625,000 ordinary shares of Baht 1 each | | 107,625,000 | 107,625,000 |
| Share premium | | 171,075,000 | 171,075,000 |
| Retained earnings | | | |
| Appropriated - statutory reserve | | 26,906,250 | 26,906,250 |
| Unappropriated | | 796,958,971 | 716,877,651 |
| Total shareholders' equity | | 1,102,565,221 | 1,022,483,901 |
| Total liabilities and shareholders' equity | | 1,599,682,231 | 1,578,421,272 |

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

Yuasa Battery (Thailand) Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

| | <u>Note</u> | <u>2023</u> | <u>2022</u> |
|--|-------------|----------------------|----------------------|
| Revenues | | | |
| Sales of goods | 16 | 2,654,640,336 | 2,578,726,636 |
| Other income | | <u>7,462,900</u> | <u>10,274,258</u> |
| Total revenues | | <u>2,662,103,236</u> | <u>2,589,000,894</u> |
| Expenses | | | |
| Cost of sales | | 2,053,901,381 | 2,018,656,734 |
| Selling and distribution expenses | | 344,937,192 | 331,009,834 |
| Administrative expenses | | <u>108,060,111</u> | <u>98,741,702</u> |
| Total expenses | | <u>2,506,898,684</u> | <u>2,448,408,270</u> |
| Operating profit | | 155,204,552 | 140,592,624 |
| Finance cost | | <u>(687,638)</u> | <u>(829,027)</u> |
| Profit before income tax | | 154,516,914 | 139,763,597 |
| Income tax expenses | 14 | <u>(31,491,004)</u> | <u>(30,347,690)</u> |
| Profit for the year | | <u>123,025,910</u> | <u>109,415,907</u> |
| Other comprehensive income: | | | |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i> | | | |
| Actuarial gain (loss) | 11 | (7,143,434) | 5,029,098 |
| Less: Income tax effect | 14 | <u>1,428,687</u> | <u>(1,005,820)</u> |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax | | <u>(5,714,747)</u> | <u>4,023,278</u> |
| Total comprehensive income for the year | | <u>117,311,163</u> | <u>113,439,185</u> |
| Earnings per share | | | |
| Basic earnings per share | | | |
| Profit attributable to equity holders of the Company | 15 | <u>1.14</u> | <u>1.02</u> |

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

Yuasa Battery (Thailand) Public Company Limited
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2023

(Unit: Baht)

| | Issued and fully paid share capital | Share premium | Differences from reorganisation of business of group companies | Retained earnings | | Total shareholders' equity |
|---|--|--------------------|--|-------------------|--------------------|----------------------------------|
| | | | | Appropriated | Unappropriated | |
| Balance as at 1 January 2022 | 107,625,000 | 171,075,000 | (6,960,530) | 26,906,250 | 634,756,759 | 933,402,479 |
| Profit for the year | - | - | - | - | 109,415,907 | 109,415,907 |
| Other comprehensive income for the year | - | - | - | - | 4,023,278 | 4,023,278 |
| Total comprehensive income for the year | - | - | - | - | 113,439,185 | 113,439,185 |
| Differences from reorganisation of business of group companies for entire business transfer | - | - | 6,960,530 | - | - | 6,960,530 |
| Dividend paid (Note 17) | - | - | - | - | (31,318,293) | (31,318,293) |
| Balance as at 31 December 2022 | <u>107,625,000</u> | <u>171,075,000</u> | <u>-</u> | <u>26,906,250</u> | <u>716,877,651</u> | <u>1,022,483,901</u> |
| Balance as at 1 January 2023 | 107,625,000 | 171,075,000 | - | 26,906,250 | 716,877,651 | 1,022,483,901 |
| Profit for the year | - | - | - | - | 123,025,910 | 123,025,910 |
| Other comprehensive income for the year | - | - | - | - | (5,714,747) | (5,714,747) |
| Total comprehensive income for the year | - | - | - | - | 117,311,163 | 117,311,163 |
| Dividend paid (Note 17) | - | - | - | - | (37,229,843) | (37,229,843) |
| Balance as at 31 December 2023 | <u>107,625,000</u> | <u>171,075,000</u> | <u>-</u> | <u>26,906,250</u> | <u>796,958,971</u> | <u>1,102,565,221</u> |

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

Yuasa Battery (Thailand) Public Company Limited**Cash flow statement****For the year ended 31 December 2023**

| | (Unit: Baht) | |
|---|---------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Cash flows from operating activities | | |
| Profit before tax | 154,516,914 | 139,763,597 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | |
| Depreciation and amortisation | 53,869,227 | 51,199,026 |
| Reduction of inventory to net realisable value (Reversal) | (626,389) | 286,847 |
| Reverl of allowance for expected credit losses | (60,000) | (60,000) |
| Loss on sales/disposal of machinery and equipment | 3,022,257 | 1,980,172 |
| Provision for long-term employee benefits | 11,264,363 | 10,150,328 |
| Unrealised loss on exchange | 2,381,446 | 656,474 |
| Finance income | (1,066,865) | (462,710) |
| Finance cost | 687,638 | 829,027 |
| Profit from operating activities before changes in operating assets and liabilities | 223,988,591 | 204,342,761 |
| Operating assets (increase) decrease | | |
| Trade and other receivables | (34,068,614) | (27,769,589) |
| Inventories | 2,149,281) | (29,455,047) |
| Other current assets | (804,332) | 4,208,192 |
| Other non-current assets | 2,000 | 91,271 |
| Operating liabilities increase (decrease) | | |
| Trade and other payables | (70,444,258) | 21,835,516 |
| Cash paid for employee benefits | (3,766,490) | (4,937,433) |
| Other current liabilities | 3,778,253 | (1,987,974) |
| Other non-current liabilities | - | (91,271) |
| Cash flows from operating activities | 6,535,869 | 166,236,426 |
| Cash received from interest income | 1,066,865 | 462,710 |
| Cash paid for interest expenses | (77,406) | (538,210) |
| Cash paid for corporate income tax | (31,718,005) | (23,144,938) |
| Net cash flows from (used in) operating activities | <u>(24,192,677)</u> | <u>143,015,988</u> |

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

Yuasa Battery (Thailand) Public Company Limited**Cash flow statement (continued)****For the year ended 31 December 2023**

(Unit: Baht)

| | <u>2023</u> | <u>2022</u> |
|---|---------------------------|---------------------------|
| Cash flows from investing activities | | |
| Acquisition of machinery and equipment | (93,812,630) | (60,447,410) |
| Proceeds from sales of machinery and equipment | 253,407 | 116,282 |
| Acquisition of intangible assets | (1,430,710) | (1,786,446) |
| Advances paid for purchases of fixed assets | (6,760,259) | - |
| Cash received from return of investment in subsidiary | - | 6,471,646 |
| Net cash flows used in investing activities | <u>(101,750,192)</u> | <u>(55,645,928)</u> |
| Cash flows from financing activities | | |
| Payment of lease liabilities | (4,059,394) | (3,952,269) |
| Dividend paid | (37,229,843) | (31,318,293) |
| Net cash flows used in financing activities | <u>(41,289,237)</u> | <u>(35,270,562)</u> |
| Net increase (decrease) in cash and cash equivalents | (167,232,106) | 52,099,498 |
| Cash and cash equivalents at beginning of period | <u>414,816,600</u> | <u>362,717,102</u> |
| Cash and cash equivalents at end of period | <u><u>247,584,494</u></u> | <u><u>414,816,600</u></u> |

Supplemental cash flow information:

Non-cash transactions:

| | | |
|---|-----------|------------|
| Increase in right-of-use assets due to entering lease agreement | 1,105,794 | 3,707,279 |
| Payables for acquisition of plant and equipment | 6,277,085 | 11,381,181 |

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

Yuasa Battery (Thailand) Public Company Limited**Notes to financial statements****For the year ended 31 December 2023****1. General information**

Yuasa Battery (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are GS Yuasa International Ltd, incorporated in Japan, with shareholdings of 40.69 percent and Metropolitan Motor Service Company Limited, incorporated in Thailand, with shareholdings of 19.13 percent. The Company is principally engaged in the manufacture and distribution of batteries for automobiles and motorcycles. The registered office of the Company is at No. 164, Moo 5, Soi Thedsaban 55, Sukhumvit Road, Tambol Taibanmai, Amphur Muangsamutprakan, Samutprakan.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards**3.1 Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company’s financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Raw materials are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost.

Finished goods and work in process are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of the investment properties is included in determining income. No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

| | | |
|------------------------------------|---|--------------|
| Buildings and building improvement | - | 33 years |
| Machinery and equipment | - | 5 - 25 years |
| Furniture and office equipment | - | 5 years |

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Intangible assets

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Amortisation of intangible assets is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 years.

4.7 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

| | | |
|------------------|-------|-------|
| Equipment | 2 - 5 | years |
| Office equipment | 4 | years |
| Motor vehicles | 5 | years |

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease

payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.9 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.10 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

4.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component or for which the Company has applied the

practical expedient regarding not to adjust the effects of a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

At initial recognition the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Recognition and derecognition of financial instruments

Financial assets are recognised or derecognised on the trade date, the date on which the Company becomes a party to contractual provisions of the instrument. This includes regular way trades.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Net realisable value of inventories

In determining net realisable value of inventories, the management makes judgement and estimates expected loss from stock obsolescence based upon past sales history and the prevailing economic condition.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

| | | | (Unit: Thousand Baht) |
|--|-------------|-------------|-----------------------|
| | <u>2023</u> | <u>2022</u> | <u>Pricing policy</u> |
| <u>Transactions with related companies</u> | | | |
| Sales of goods | 166,576 | 199,437 | Cost plus margin |
| Commission income | 1,422 | 2,579 | At an agreed price |
| Purchase of raw materials and goods | 236,695 | 213,777 | Market price |
| Royalty fee | 47,236 | 44,129 | Contract price |

As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related companies are as follows:

| | | (Unit: Thousand Baht) |
|--|-------------|-----------------------|
| | <u>2023</u> | <u>2022</u> |
| <u>Trade receivables - related parties (Note 7)</u> | | |
| Related companies ^{(1) (2)} | 29,941 | 39,448 |
| Total trade receivables - related parties | 29,941 | 39,448 |
| <u>Other receivables - related parties (Note 7)</u> | | |
| Related companies ⁽¹⁾ | - | 1,047 |
| Total other receivables - related parties | - | 1,047 |
| Total trade and other receivables - related parties | 29,941 | 40,495 |
| <u>Trade and other payables - related parties</u> | | |
| <u>Trade payables - related parties (Note 10)</u> | | |
| Related companies ^{(1) (2)} | 44,749 | 36,060 |
| Total trade payables - related parties | 44,749 | 36,060 |
| <u>Other payables - related parties (Note 10)</u> | | |
| Related companies ^{(1) (2)} | 47,236 | 45,638 |
| Total other payables - related parties | 47,236 | 45,638 |
| Total trade and other payables - related parties | 91,985 | 81,698 |

Relationship with the related parties

⁽¹⁾ Common shareholders

⁽²⁾ Common directors

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses payable to their directors and management as below.

| | (Unit: Thousand Baht) | |
|------------------------------|-----------------------|---------------|
| | <u>2023</u> | <u>2022</u> |
| Short-term employee benefits | 32,345 | 30,554 |
| Post-employment benefits | 1,491 | 1,321 |
| Total | <u>33,836</u> | <u>31,875</u> |

7. Trade and other receivables

| | (Unit: Thousand Baht) | |
|---|-----------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| <u>Trade receivables - related parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 18,621 | 36,680 |
| Past due | | |
| Up to 3 months | <u>11,320</u> | <u>2,768</u> |
| Total trade receivables - related parties | <u>29,941</u> | <u>39,448</u> |
| <u>Trade receivables - unrelated parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 257,378 | 242,786 |
| Past due | | |
| Up to 3 months | 117,004 | 93,690 |
| Over 12 months | <u>1,596</u> | <u>1,752</u> |
| Total | <u>375,978</u> | <u>338,228</u> |
| Less: Allowance for expected credit losses | <u>(1,581)</u> | <u>(1,641)</u> |
| Total trade receivables - unrelated parties - net | <u>374,397</u> | <u>336,587</u> |
| Total trade receivables - net | <u>404,338</u> | <u>376,035</u> |
| <u>Other receivables</u> | | |
| Other receivables - related parties | - | 1,047 |
| Other receivables - unrelated parties | <u>20,098</u> | <u>16,369</u> |
| Total other receivables | <u>20,098</u> | <u>17,416</u> |
| Trade and other receivables - net | <u>424,436</u> | <u>393,451</u> |

The normal credit term is 30 to 90 days

Set out below is the movements in the allowance for expected credit losses of trade receivables.

| | (Unit: Thousand Baht) | |
|-------------------|-----------------------|--------------|
| | <u>2023</u> | <u>2022</u> |
| Beginning balance | 1,641 | 1,701 |
| Amount recovered | (60) | (60) |
| Ending balance | <u>1,581</u> | <u>1,641</u> |

8. Inventories

| | (Unit: Thousand Baht) | | | | | |
|-------------------------------------|-----------------------|----------------|--|----------------|-------------------|----------------|
| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Finished goods | 104,014 | 99,996 | (797) | (967) | 103,217 | 99,029 |
| Work in process | 69,764 | 55,590 | - | (315) | 69,764 | 55,275 |
| Semi-raw materials | 40,992 | 47,527 | - | - | 40,992 | 47,527 |
| Raw materials | 180,651 | 76,342 | (286) | (307) | 180,365 | 76,035 |
| Spare parts and factory supplies | 23,121 | 24,172 | (2,115) | (2,237) | 21,006 | 21,935 |
| Goods in transit | 15,083 | 17,849 | - | - | 15,083 | 17,849 |
| Total | <u>433,624</u> | <u>321,476</u> | <u>(3,198)</u> | <u>(3,826)</u> | <u>430,426</u> | <u>317,650</u> |

During the current year, the Company has not reduced cost of inventories to reflect the net realisable value. This was included in cost of sales. (2022: Baht 0.3 million). In addition, the Company reversed the write-down of cost of inventories by Baht 0.6 million and reduced the amount of inventories recognised as expenses during the year. (2022: Nil).

9. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

| | Land | Buildings and building improvement | Machinery and equipment | Furniture, fixtures and office equipment | Assets under installation and under construction | Total |
|--|--------|--|-------------------------------|---|---|-----------|
| Cost: | | | | | | |
| 1 January 2022 | 27,790 | 193,033 | 858,512 | 69,858 | 14,270 | 1,163,463 |
| Additions | - | 120 | 15,692 | 3,672 | 40,658 | 60,142 |
| Disposals/write-off | - | - | (32,075) | (300) | - | (32,375) |
| Transfers | - | 8,764 | 21,622 | 3,791 | (34,177) | - |
| 31 December 2022 | 27,790 | 201,917 | 863,751 | 77,021 | 20,751 | 1,191,230 |
| Additions | - | 38 | 13,150 | 3,858 | 71,683 | 88,729 |
| Disposals/write-off | - | (6,894) | (64,970) | (13,471) | - | (85,335) |
| Transfers | - | 3,884 | 61,436 | 1,140 | (66,460) | - |
| 31 December 2023 | 27,790 | 198,945 | 873,367 | 68,548 | 25,974 | 1,194,624 |
| Accumulated depreciation: | | | | | | |
| 1 January 2022 | - | 65,887 | 652,949 | 47,834 | - | 766,670 |
| Depreciation for the year | - | 5,332 | 33,192 | 7,847 | - | 46,371 |
| Depreciation on disposals/write-off | - | - | (30,188) | (269) | - | (30,457) |
| 31 December 2022 | - | 71,219 | 655,953 | 55,412 | - | 782,584 |
| Depreciation for the year | - | 5,495 | 35,421 | 8,004 | - | 48,920 |
| Depreciation on disposals/write-off | - | (4,507) | (64,195) | (13,397) | - | (82,099) |
| 31 December 2023 | - | 72,207 | 627,179 | 50,019 | - | 749,405 |
| Allowance for impairment loss: | | | | | | |
| 1 January 2022 | - | - | - | - | 1,001 | 1,001 |
| Increase during the year | - | - | - | - | - | - |
| 31 December 2022 | - | - | - | - | 1,001 | 1,001 |
| Increase during the year | - | - | - | - | - | - |
| 31 December 2023 | - | - | - | - | 1,001 | 1,001 |
| Net book value: | | | | | | |
| 31 December 2022 | 27,790 | 130,698 | 207,798 | 21,609 | 19,750 | 407,645 |
| 31 December 2023 | 27,790 | 126,738 | 246,188 | 18,529 | 24,973 | 444,218 |
| Depreciation for the year | | | | | | |
| 2022 (Baht 44 million included in manufacturing cost, and the remaining included in selling and administrative expenses) | | | | | | 46,372 |
| 2023 (Baht 46 million included in manufacturing cost, and the remaining included in selling and administrative expenses) | | | | | | 49,101 |

As at 31 December 2023, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 499 million (2022: Baht 548 million).

10. Trade and other payables

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|----------------|----------------|
| Trade payables - related parties | 44,749 | 36,060 |
| Trade payables - unrelated parties | 154,143 | 226,368 |
| Other payables - related parties | 47,236 | 45,638 |
| Other payables - unrelated parties | 14,256 | 20,022 |
| Accrued expenses | 62,667 | 71,274 |
| Total trade and other payables | <u>323,051</u> | <u>399,362</u> |

11. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|---|----------------|----------------|
| Provision for long-term employee benefits at beginning of year | 99,109 | 98,926 |
| Included in profit or loss: | | |
| Current service cost | 7,983 | 7,877 |
| Interest cost | 3,282 | 2,273 |
| Included in other comprehensive income: | | |
| Actuarial (gain) loss arising from | | |
| Demographic assumptions changes | - | 2,581 |
| Financial assumptions changes | 2,100 | (9,944) |
| Experience adjustments | 5,043 | 2,334 |
| Benefits paid during the year | <u>(3,766)</u> | <u>(4,938)</u> |
| Provision for long-term employee benefits at end of year | <u>113,751</u> | <u>99,109</u> |

The Company expects to pay Baht 3 million of long-term employee benefits during the next year (2022: Baht 2 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 6 - 14 years (2022: 7 - 15 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

| | <u>2023</u> | <u>2022</u> |
|----------------------|--------------|--------------|
| Discount rate | 2.7% - 3.3% | 2.5% - 3.6% |
| Salary increase rate | 5.0% | 5.0% |
| Turnover rate | 1.9% - 17.2% | 1.9% - 17.2% |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Million Baht)

| | <u>2023</u> | | <u>2022</u> | |
|----------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>Increase 1%</u> | <u>Decrease 1%</u> | <u>Increase 1%</u> | <u>Decrease 1%</u> |
| Discount rate | (5) | 6 | (9) | 11 |
| Salary increase rate | 11 | (10) | 21 | (17) |
| Turnover rate | (4) | 4 | (9) | 9 |

12. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

13. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| Salaries and wages and other employee benefits | 371,498 | 339,990 |
| Purchase of finished goods | 202,362 | 205,477 |
| Depreciation and amortisation expenses | 54,078 | 51,199 |
| Excise tax | 210,286 | 209,437 |
| Royalty fee | 47,236 | 44,129 |
| Raw materials and consumables used | 1,365,451 | 1,389,268 |
| Changes in inventories of finished goods and work in progress | (18,192) | (33,370) |
| Utilities expenses | 88,789 | 79,845 |
| Repair and maintenance expenses | 38,350 | 44,908 |
| Others | 147,041 | 117,525 |

14. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|---|---------------|---------------|
| Current income tax: | | |
| Current income tax charge | 33,132 | 31,635 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (1,641) | (1,287) |
| Income tax expense reported in profit or loss | <u>31,491</u> | <u>30,348</u> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Deferred tax on actuarial gains and losses | (1,429) | 1,006 |

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|--|---------------|---------------|
| Accounting profit before tax | 154,517 | 139,764 |
| Applicable tax rate | 20 | 20 |
| Accounting profit before tax multiplied by tax rate | 30,903 | 27,953 |
| Effects of: | | |
| Non-deductible expenses | 521 | 356 |
| Additional expense deductions allowed | (358) | (243) |
| Taxable income | - | 1,094 |
| Others | 425 | 1,188 |
| Total | 588 | 2,395 |
| Income tax expense reported in profit or loss | <u>31,491</u> | <u>30,348</u> |

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|--|----------------|----------------|
| Deferred tax assets | | |
| Provision for long-term employee benefits | 22,750 | 19,822 |
| Allowance for expected credit losses | 316 | 328 |
| Allowance for diminution in value of inventories | 640 | 765 |
| Allowance for asset impairment | 210 | 210 |
| Accrued director's remuneration | 970 | 898 |
| Lease | 69 | 14 |
| Total | <u>24,955</u> | <u>22,037</u> |
| Deferred tax liabilities | | |
| Differences of depreciation for accounting and tax purpose | <u>(1,813)</u> | <u>(1,964)</u> |
| Total | <u>(1,813)</u> | <u>(1,964)</u> |
| Deferred tax assets - net | <u>23,142</u> | <u>20,073</u> |

15. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

| | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| Profit for the year attributable to equity holders of the Company (Thousand Baht) | 123,026 | 109,416 |
| Weighted average number of ordinary shares (Thousand shares) | 107,625 | 107,625 |
| Basic earnings per share (Baht per share) | 1.14 | 1.02 |

16. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Chief Executive Officer.

The Company is principally engaged in the manufacture and distribution of batteries. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|---------------------------------|------------------|------------------|
| Revenue from external customers | | |
| Thailand | 2,099,358 | 2,071,089 |
| Others | <u>555,282</u> | <u>507,638</u> |
| Total | <u>2,654,640</u> | <u>2,578,727</u> |

The Company is managed and operates principally in Thailand. In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers. There are no material assets located in foreign countries.

Major customers

For the year 2023, the Company has revenue from one major customer amounting to Baht 415 million (2022: Baht 426 million derived from one major customer).

17. Dividends

| Dividends | Approved by | Total dividends (Million Baht) | Dividend per share (Baht) |
|--------------------------|---|-----------------------------------|---------------------------------|
| Final dividends for 2021 | Annual General Meeting of the shareholders on 7 April 2022 | <u>31.32</u> | <u>0.291</u> |
| Total dividends for 2022 | | <u>31.32</u> | <u>0.291</u> |
| Final dividends for 2022 | Annual General Meeting of the shareholders on 7 April 2023 | <u>37.23</u> | <u>0.346</u> |
| Total dividends for 2023 | | <u>37.23</u> | <u>0.346</u> |

18. Commitments and contingent liabilities

18.1 Capital commitments

As at 31 December 2023, the Company has the capital commitments of Baht 11 million (2022: Baht 3 million), relating to the construction of plant and purchases of equipment.

18.2 Lease commitments

As at 31 December 2023 and 2022, the Company has future lease payments required under these non-cancellable leases contracts that have not yet commenced as follows:

| | (Unit: Thousand Baht) | |
|---------------|-----------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| Within 1 year | 8 | 8 |
| Total | <u>8</u> | <u>8</u> |

18.3 Long-term service commitments

On 1 January 2009, the Company entered into licence and technical assistance agreements with an overseas related company 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. Under the conditions of the licence agreement, the Company is to pay an annual royalty fee as stipulated in the agreement. 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. The fees for the year 2023 amounting to approximately Baht 47 million (2022: Baht 44 million) were recognised as expenses.

18.4 Guarantees

As at 31 December 2023, there were outstanding bank guarantees of Baht 8 million (2022: Baht 6 million) issued by banks on behalf of the Company to guarantee electricity use and for performance bonds.

18.5 Other commitments

As at 31 December 2023, the Company had purchase order accepted by suppliers for purchase of raw materials for a total quantity of 8,580 Metric Tons (2022: 9,930 Metric Tons), at the prices as determined in purchase order that will be delivered by December, 2024

19. Fair value hierarchy

As at 31 December 2023 and 2022, the Company had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

| As at 31 December 2023 | | | | |
|--------------------------------------|---------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Investment property | - | - | 38 | 38 |

(Unit: Million Baht)

| As at 31 December 2022 | | | | |
|--------------------------------------|---------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Investment property | - | - | 38 | 38 |

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land and building has been determined based on market prices.

20. Financial instruments

20.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents and trade accounts receivable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and outstanding trade receivables are regularly monitored. Therefore, the Company does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by geography, product type, customer type and rating. The calculation of impairment reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. Mostly the Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

| Foreign currency | Financial assets | | Financial liabilities | | Average exchange rate | |
|------------------|-------------------|-------------------|-----------------------|-------------------|--|---------|
| | 2023 (Million) | 2022 (Million) | 2023 (Million) | 2022 (Million) | 2023 (Baht per 1 foreign currency unit) | 2022 |
| US dollar | 2 | 2 | 1 | 1 | 34.2233 | 34.5624 |
| Japanese yen | - | - | 23 | 22 | 0.2422 | 0.2609 |

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates and fixed interest rates which are close to the market rate. Interest rate risk of the Company is low, and therefore, the Company does not currently use derivatives to hedge against such risk.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| | As at 31 December | | | | | | | | | | Effective interest rate (% per annum) | |
|------------------------------|----------------------|------|-------------|------|------------------------|------|----------------------|------|-------|------|--|-------------|
| | Fixed interest rates | | | | Floating interest rate | | Non-interest bearing | | Total | | | |
| | Within 1 year | | 1 - 5 years | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | 2023 | 2022 | 2023 | 2022 | | | | | | | | |
| <u>Financial assets</u> | | | | | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | 248 | 415 | - | - | 248 | 415 | 0.15 - 0.60 | 0.15 - 0.35 |
| Trade and other receivables | - | - | - | - | - | - | 424 | 393 | 424 | 393 | - | - |
| | - | - | - | - | 248 | 415 | 424 | 393 | 672 | 808 | | |
| <u>Financial liabilities</u> | | | | | | | | | | | | |
| Trade and other payables | - | - | - | - | - | - | 323 | 399 | 323 | 399 | - | - |
| Lease liabilities | 3 | 3 | 4 | 7 | - | - | - | - | 7 | 10 | 8.33 | 8.33 |
| | 3 | 3 | 4 | 7 | - | - | 323 | 399 | 330 | 409 | | |

Liquidity risk

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

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

| | As at 31 December 2023 | | | As at 31 December 2022 | | |
|--------------------------|------------------------|--------------|----------------|------------------------|--------------|----------------|
| | Less than 1 | 1 to 5 | Total | Less than 1 | 1 to 5 | Total |
| | year | years | | year | years | |
| Non-derivatives | | | | | | |
| Trade and other payables | 323,051 | - | 323,051 | 399,362 | - | 399,362 |
| Lease liabilities | 3,400 | 4,224 | 7,624 | 2,944 | 7,024 | 9,968 |
| Total | 326,451 | 4,224 | 330,675 | 402,306 | 7,024 | 409,330 |

20.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable and accounts payable, the carrying amounts in the statement of financial position approximate their fair value.

During the current year, there were no transfers within the fair value hierarchy.

21. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 13 February 2024.

04

CERTIFICATION

Information Certification

The Company has reviewed the information in this annual report with caution. The Company hereby certify that such information is true, complete, not false and does not mislead others or lack of information. The Company has certified that

(1) The financial statements and the financial information summarized in this annual report has shown information accurately and completely in important matters relating to the financial position performance and the cash flow of the Company.

(2) The Company has established a good information disclosure system to ensure that the Company has disclosed the information that is important to both the Company and its subsidiary correctly and completely as well as to control and supervise the implementation of the system.


(3) The Company has established a good internal control system and supervise to ensure compliance with the system. Moreover, the Company has informed the internal control assessment information as of February 13, 2024 to the auditor and the audit committee of the Company which covers deficiencies and significant changes in the internal control system including the wrongful acts that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the Company has certified, the Company has assigned Mr. Akira Kiyomizu to sign this document on every page. If any document does not have the signature of Mr. Akira Kiyomizu, the Company shall consider that the information has not been certified for the accuracy as above.

Authorized persons for signature

| Name | Position | Signature |
|--------------------------|----------|---|
| 1. Mr. Pornchak Manutham | Director |  |
| 2. Mr. Akira Kiyomizu | Director |  |

Authorized persons

| Name | Position | Signature |
|--------------------|-------------------------|---|
| Mr. Akira Kiyomizu | Chief Executive Officer |  |

05

APPENDIX

Nationality :

Japanese

Position :

Chairman of the Board (Acting),
Vice Chairman of the Board,
Chief Executive Officer,
Corporate Governance Committee,
and Nomination Committee

Period of Position :

3 Years 7 Months

Holding the Position of Company's Subcommittee :

- Corporate Governance 3 Years 7 Months
- Nomination Committee 3 Years 7 Months

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Faculty of Economics (Bachelor Degree),
Kansai University

Training :

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

Working Experience in the Last 5 Years :

- **2020 - Present** Chairman of the Board (Acting), Vice Chairman of the Board, Chief Executive Officer, Corporate Governance Committee and Nomination Committee
Yuasa Battery (Thailand) Public Company Limited
- **2020 - June 2021** Vice Chairman of the Board
Yuasa Sales and Distribution Company Limited
- **2017 - 2020** General Manager, Overseas Sales Department,
GS Yuasa International Company Limited (GYIN)
- **2012 - 2017** Manager
GS Yuasa Vietnam Company Limited (Vietnam)
- **2011 - 2012** Manager, Automotive Battery Business Promotion
Division, International Business Unit, and General
Manager, Sales Department,
GS Yuasa International Company Limited (GYIN) and
GS Yuasa Battery Company Limited
- **2007 - 2011** Manager (National Sales)
GS Yuasa Battery Company Limited
- **2004 - 2007** Assistant Manager (Product Development) and
Assistant Manager (Automotive Battery)
GS Yuasa Battery Company Limited and
Yuasa Corporation
- **1999 - 2004** Sales Department (Chubu Region), Automotive Battery,
Yuasa Corporation

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

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

Nil

**Number of meetings attended/Number of total meetings
(Times/2023) :**

Yuasa Battery (Thailand) Public Company Limited

| | |
|------------------------------|-----------|
| - Board of Directors Meeting | 5/5 Times |
| - Shareholder Meeting | 1/1 Times |

Mr. Akira Kiyomizu

Age 54 Years Old



Akira Kiyomizu

Nationality :

Thai

Position :

Director and Chairman of Remuneration

Period of Position :

20 Years

Holding the Position of Company's Subcommittee :

- Chairman of Remuneration Committee 11 Years

Legal Dispute :

Nil

Proportion of Shareholding :

1,000,000 shares or 0.93%

Relation to Management :

Younger brother of Pol.Maj.Gen. Supchan Manutham

Education Background :

- Master of Business Administration,
Thammasat University
- Bachelor of Business Administration,
Ramkhamhaeng University
- Bachelor of Science,
Chulachomklao Royal Military Academy School

Training :

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

Working Experience in the Last 5 Years :

- **2006 - Present** Director and Chairman of Remuneration Committee
Yuasa Battery (Thailand) Public Company Limited
- **2006 - June 2021** Director
Yuasa Sales and Distribution Company Limited

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

- Director, Yuasa Sales and Distribution Company Limited 20 Years
- Director, Metropolitan Motor Service Company Limited 29 Years
- Director, Fuji mercantile Company Limited 26 Years
- Director, Central Agency Company Limited 28 Years

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

Nil

Number of meetings attended/Number of total meetings

(Times/2023) :

- Yuasa Battery (Thailand) Public Company Limited
- Board of Directors Meeting 5/5 Times
- Shareholder Meeting 1/1 Times
- Remuneration Committee Meeting 4/4 Times

Mr. Pornchak Manutham

Age 69 Years Old



Pornchak Manutham

Nationality :

Thai

Position :

Director, Corporate Governance Committee,
and Nomination Committee

Period of Position :

11 Years 7 Months

Holding the Position of Company's Subcommittee :

- Corporate Governance Committee 8 Years
- Nomination Committee 4 Years

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Older brother of Mr. Pornchak Manutham

Education Background :

- Master of Public Administration,
Chulalongkorn University
- Bachelor of Law,
Thammasat University

Training :

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

Working Experience in the Last 5 Years :

- **2012 - Present** Director, Corporate Governance Committee and
Nomination Committee
Yuasa Battery (Thailand) Public Company Limited
- **2012 - June 2021** Director
Yuasa Sales and Distribution Company Limited
- **2011 - Present** Director
Zeer property Public Company Limited
- **2011 - Present** Director
North East Green Energy (Thailand) Company Limited
- **1992 - Present** Director
Manutham Mansion Dept. Company Limited

Holding the position of director in the listed company :

- Chairman of Director, Zeer Property Public Company Limited
12 Years

Holding the position of director in the limited company :

- Director, North East Green Energy (Thailand) Company Limited
12 Years
- Director, Manutham Mansion Dept. Company Limited
31 Years

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

Nil

**Number of meetings attended/Number of total meetings
(Times/2023) :**

- Yuasa Battery (Thailand) Public Company Limited
- Board of Directors Meeting 5/5 Times
- Shareholder Meeting 1/1 Times

Pol.Maj.Gen. Supchan Manutham
Age 77 Years Old



Supchan Manutham

nationality :

Japanese

Position :

Director

Period of Position :

1 Year 8 Months

Holding the Position of Company's Subcommittee :

Nil

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Yokohama National University

Training :

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

Working Experience in the Last 5 Years :

- **April 2022 - Present** Director
Yuasa Battery (Thailand) Public Company Limited
- **February 2019 - Present** Director
GS Yuasa Asia Technical Center Company Limited
a subsidiary of GS Yuasa International Company
Limited
- **June 2013** Manager, Overseas Automotive Battery Group,
Automotive Battery Technical Department,
Global Technical Headquarters,
GS Yuasa International Company Limited
- **April 2012** Manager
Tata AutoComp GY Batteries Company Limited
a subsidiary GS Yuasa International Company
Limited (India)

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

Holding the position in other business that may lead to

conflict of interest :

Nil

Number of meetings attended/Number of total meetings

(Times/2023) :

- Yuasa Battery (Thailand) Public Company Limited
- Board of Directors Meeting 5/5 Times
- Shareholder Meeting 1/1 Times

Mr. Ryoji Abe

Age 50 Years Old



Ryoji Abe

Nationality :

Japanese

Position :

Director

Period of Position :

2 Years

Holding the Position of Company's Subcommittee :

Nil

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Working Experience in the Last 5 Years :

- **April 2022 - Present** Director
Yuasa Battery (Thailand) Public Company Limited
- **April 2020 - Present** Manager, 1st Business Promotion Department,
Overseas Operations Division, Automotive Battery
Business Unit, double as Manager, Finance
Accounting Division,
GS Yuasa International Company Limited (GYIN)
- **April 2015** Manager
PT. Trimitra Baterai prakasa (Indonesia)
- **April 2013** Manager, Planning Department, Lighting Business
Unit, double as Manager, Finance Accounting
Division,
GS Yuasa International Company Limited (GYIN)
- **April 2012** Manager, Finance Accounting Division, double as
Manager, Planning Department, Lighting Business
Unit,
GS Yuasa Power Supply Company Limited

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

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

Nil

**Number of meetings attended/Number of total meetings
(Times/2023) :**

- Yuasa Battery (Thailand) Public Company Limited
- Board of Directors Meeting 4/5 Times
 - Shareholder Meeting 1/1 Times

Mr. Naoya Yamauchi

Age 53 Years Old



Naoya Yamauchi

Education Background :

- International Culture,
College of International Relations
Nihon University

Training :

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

Nationality :

Japanese

Position :

Director, Corporate Governance Committee,
and Remuneration Committee

Period of Position :

1 Year 1 Month

Holding the Position of Company's Subcommittee :

- Corporate Governance Committee 1 Year 1 Month
- Remuneration Committee 1 Year 1 Month

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Bachelor's Degree , Faculty of science and Engineer,
Chuo University, Japan

Training :

- Certificate of Thailand Institute of Directors (IOD)
- Director Accreditation Program (DAP) 115/2015

Working Experience in the Last 5 Years :

- **November 2022 - Present** Director and Remuneration Committee
Yuasa Battery (Thailand) Public Company Limited
- **April 2022 - Present** General Manager, Technical Department,
Automotive Battery Business Unit
General Manager, Project Promotion Department,
LIB Technical Center,
GS Yuasa International Company Limited
- **November 2019** Manager, Two-wheel Battery Group, Technical
Department, Technical Division,
Automotive Battery Business Unit
Manager, Group II, Department III,
LIB Technical Center
GS Yuasa International Company Limited
- **April 2018** Manager, Two-wheel Battery Group, Technical
Department, Technical Division,
Automotive Battery Business Unit
Manager, Overseas Group, Strategy Planning
Department, Planning Division,
Automotive Battery Business Unit
GS Yuasa International Company Limited

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

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

Nil

**Number of meetings attended/Number of total meetings
(Times/2023) :**

- Yuasa Battery (Thailand) Public Company Limited
- Board of Directors Meeting 5/5 Times
- Shareholder Meeting 1/1 Times
- Remuneration Committee Meeting 4/4 Times

Mr. Masashi Morimitsu

Age 49 Years Old



Masashi Morimitsu

Nationality :

Thai

Position :

Director

Period of Position :

10 Months

Holding the Position of Company's Subcommittee :

Nil

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Master of Business Administration,
Ramkhamhaeng University
- Bachelor of Engineering,
Kasem Bundit University
- Diploma in Mechanical Engineering,
Faculty of Engineering,
Southeast Asia University

Training :

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

Working Experience in the Last 5 Years :

- **2023 - Present** Director
Yuasa Battery (Thailand) Public Company Limited
- **2022 - Present** Executive Officer
Siam Motors Company Limited
- **2022 - Present** Director
EXEDY (Thailand) Company Limited
- **2022 - Present** Director
Siam Riken Industrial Company Limited
- **2022 - Present** Director
Siam Motors Logistics Company Limited
- **2019 - 2021** Managing Director
Siam GS Battery Company Limited
- **2016 - 2019** Managing Director
Nittan (Vietnam) Company Limited
- **2000 - 2019** General Manager
Nittan (Thailand) Company Limited

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

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

Nil

**Number of meetings attended/Number of total meetings
(Times/2023) :**

- Yuasa Battery (Thailand) Public Company Limited
- Board of Directors Meeting 4/4 Times
- Shareholder Meeting 1/1 Times

Mr. Akom Kowthan

Age 61 Years Old



Akom Kowthan

Nationality :

Thai

Position :

Director, Chief Operating Officer, Secretary of
Nomination and Secretary of Management

Period of Position :

5 Years 10 Months

Holding the Position of Company's Subcommittee :

- Chief Operating Officer 5 Years 10 Months
- Secretary of Nomination Committee 6 years

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Master of Development Economics,
The National Institution of Development Administration
(NIDA)
- B.Sc. (Public Health) majoring in Sanitary Science,
Mahidol University
- Bachelor of Economic and Bachelor of Accounting,
Ramkhamhaeng University
- Bachelor of Law, Sukhothai Thammathirat
Open University
- Tax Auditor

Training :

- Certificate of Thailand Institute of Directors (IOD)
- Director Accreditation Program (DAP) 161/2019

Working Experience in the Last 5 Years :

- **2015 - Present** Director, Chief Operating Officer, Secretary of
Nomination Committee and Secretary of
Management
Yuasa Battery (Thailand) Public Company Limited
- **2004 - February 2019** Company Secretary
Yuasa Battery (Thailand) Public Company Limited
- **2006 - 2014** General Manager (Operation)
Yuasa Battery (Thailand) Public Company Limited
- **2004 - 2005** Policy & Planning Manager
Yuasa Battery (Thailand) Public Company Limited
- **2003** Manager of Management Committee
Yuasa Battery (Thailand) Public Company Limited
- **2002** Planning & Policy Officer
Yuasa Battery (Thailand) Public Company Limited

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

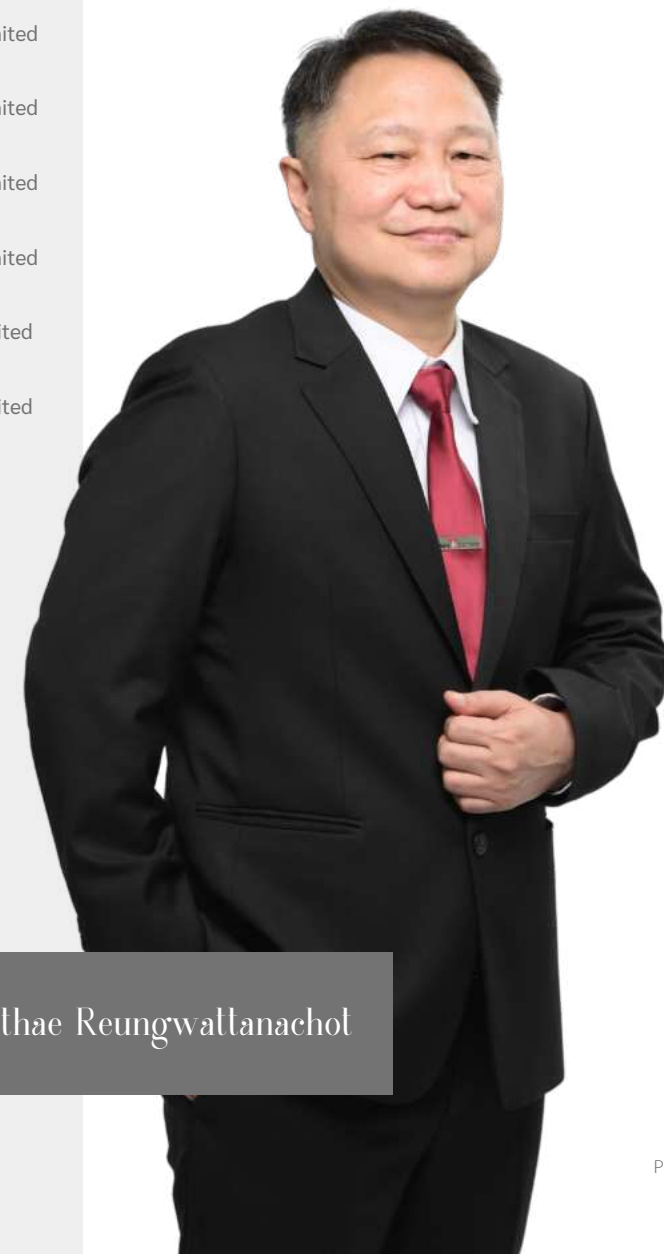
**Holding the position in other business that may lead to
conflict of interest :**

Nil

**Number of meetings attended/Number of total meetings
(Times/2023) :**

- Yuasa Battery (Thailand) Public Company Limited
- Board of Directors Meeting 5/5 Times
- Shareholder Meeting 1/1 Times

Mr. Sukthae Ruengwattanachot
Age 56 Years Old



Sukthae Reungwattanachot



Mr. Yothin Vimooktayan

Age 76 Years Old

Nationality :

Thai

Position :

Director, Independent Director
and Corporate Governance

Period of Position :

15 Years 8 Months

Holding the Position of Company's Subcommittee :

- Independent Director 15 Years 8 Months
- Corporate Governance Committee 8 Years

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

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

Training :

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

Working Experience in the Last 5 Years :

- **Present** Director, Independent Director and Corporate
Governance Committee
Yuasa Battery (Thailand) Public Company Limited
- **2006 - 2017** Independent Director,
Audit Committee and Corporate Governance
Committee
Yuasa Battery (Thailand) Public Company Limited
- **Director** Director
Wat Benchamabopitr Dusitvanaram Association
- **2004 - 2007** Deputy Director
Excise Department

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

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

Nil

Number of meetings attended/Number of total meetings

(Times/2023) :

Yuasa Battery (Thailand) Public Company Limited

- Board of Directors Meeting 4/5 Times
- Shareholder Meeting -/1 Times

Nationality :

Thai

Position :

Director, Independent Director,
Chairman of Audit Committee,
Remuneration Committee,
and Chairman of Corporate

Period of Position :

13 Years 8 Months

Holding the Position of Company's Subcommittee :

- Independent Director 13 Years 8 Months
- Chairman of Audit Committee 9 Years
- Remuneration Committee 11 Years
- Chairman of Corporate Governance Committee 8 Years

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

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

Training :

Certificate of Thailand Institute of Directors (IOD)
- Director Certification Program (DCP) 141/2010
- Audit committee Program (ACP) 35/2009 and continuing
programs : Monitoring Fraud Risk Management (MFM) 6/2011,
Monitoring of the Quality of Financial Reporting (MFR) 6/2011,

Monitoring the internal Audit Function (MIA) 11/2011, Monitoring the system of Internal Control and Risk Management (MIR) 11/2011, Role of the Compensation Committee (RCC) 13/2011, 14/2011, Director Certification Program (DCP) 141/2011, Director Examination (EXAM) 35/2012, Monitoring of the Quality of Financial Reporting (MFR) 13/2011, 14/2011, Financial Statements for Directors (FSD) 22/2013, 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

- The Importance of Audit Committee and the Confidence in Thai's Capital Market, The Securities Exchange of Thailand
- Prevention of Corruption in Organizations, Thai Institute of Directors (IOD)
- Rehearsal for an Understanding of the Roles and Responsibilities of the Audit Committee, EY Company Limited
- Fraud in Creative Accounting and Updating the Economic Situation, ESG Direction in the matter of Carbon Dioxide, EY Office Company Limited.

Working Experience in the Last 5 Years :

- **2010 - Present** Director, Independent Director, Chairman of Audit Committee, Remuneration Committee, Chairman of Corporate Governance Committee
Yuasa Battery (Thailand) Public Company Limited
- **1998** Associate Professor and Adjunct Associate Professor of Graduate School, Faculty of Law, Kyushu University, Japan
- **1987 - 2018** Associate Professor and Senior Expert of School of Law, Sukhothai Thammathirat Open University
- **1987 - 2018** Director
The Institute for International Economic and Business Law Study
- **Present** Arbitrator,
Office of Arbitration
- **Present** Visiting Professor, Associate Professor, and Invited Lecturer Universities in foreign countries, such as Japan, Belgium, United Kingdom, etc. and local universities

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

Holding the position in other business that may lead to

conflict of interest :

Nil

Assoc.Prof.Dr. Lawan Thanadsillapakul

Age 67 Years Old

Number of meetings attended/Number of total meetings (Times/2023) :

| | |
|---|-------------|
| Yuasa Battery (Thailand) Public Company Limited | |
| - Board of Directors Meeting | 5/5 Times |
| - Shareholder Meeting | 1/1 Times |
| - Audit Committee Meeting | 13/13 Times |
| - Remuneration Committee Meeting | 4/4 Times |



Lawan Thanadsillapakul

Nationality :

Thai

Position :

Director / Independent Director /
Audit Committee / Remuneration Committee

Period of Position :

13 Years 8 Months

Holding the Position of Company's Subcommittee :

- Independent Director and Audit Committee
13 years 8 Months
- Remuneration Committee 9 Years

Legal Dispute :

Nil

Proportion of Shareholding :

2,000 Shares or 0.002%

Relation to Management :

Nil

Education Background :

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

Training :

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

Working Experience in the Last 5 Years :

- **2010 - Present** Director, Independent Director, Audit Committee,
and Remuneration Committee
Yuasa Battery (Thailand) Public Company Limited
- **2009 - Present** Vice Chairman of Executive Board
Thian Fah Foundation Hospital
- **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

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

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

Nil

**Number of meetings attended/Number of total meetings
(Times/2023) :**

- Yuasa Battery (Thailand) Public Company Limited
- Board of Directors Meeting 5/5 Times
- Shareholder Meeting 1/1 Times
- Audit Committee Meeting 13/13 Times
- Remuneration Committee Meeting 4/4 Times

Mr. Prasert Kitisakkul

Age 73 Years Old

Prasert Kitisakkul

Nationality :

Thai

Position :

Director / Independent Director / Audit Committee /
Chairman of the Nomination Committee

Period of Position :

6 Years 3 Months

Holding the Position of Company's Subcommittee :

- Independent Director and Audit Committee
6 Years 3 Months
- Chairman of Nomination Committee 4 Years

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- B.Sc. (Public Health) majoring in Sanitary Science,
Mahidol University
- M.Sc. (Public Health) in Environmental Health,
Mahidol University

Training :

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

Working Experience in the Last 5 Years :

- **2017 - Present** Director, Independent Director, Audit Committee
and the Chairman of Nomination Committee
Yuasa Battery (Thailand) Public Company Limited
- **2018 - Present** Environmental Health Expert,
Department of Health, Ministry of Health
- **2006 - 2013** Appeal Committee (According to Public Health
Act B.E. 2535, appointed by Minister of Public
Health)

Holding the position of director in the listed company :

Nil

Holding the position of director in the limited company :

Nil

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

Nil

**Number of meetings attended/Number of total meetings
(Times/2023) :**

- | | |
|---|-------------|
| Yuasa Battery (Thailand) Public Company Limited | |
| - Board of Directors Meeting | 5/5 Times |
| - Shareholder Meeting | 1/1 Times |
| - Audit Committee Meeting | 13/13 Times |

Assoc.Prof. Pisit Vatanasomboon
Age 67 Years Old



Pisit Vatanasomboon

Nationality :

Thai

Position :

Executive Manager (Factory Division)

Period of Position :

8 Years 5 Months

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Bachelor of Science, Faculty of Science,
Burapha University

Training :

Nil

Working Experience in the Last 5 Years :

- **Present** Executive Manager (Factory Division)
Yuasa Battery (Thailand) Public Company Limited
- **2016 - 2019** General Manager (Production Division)
Yuasa Battery (Thailand) Public Company Limited
- **2015 - 2016** General Manager (Plant)
Yuasa Battery (Thailand) Public Company Limited
- **2014** Assistant General Manager (Plant)
Yuasa Battery (Thailand) Public Company Limited

Mr. Sampan Hongwachin

Age 53 Years Old



Sampan Hongwachin

Nationality :

Thai

Position :

Executive Manager (Sales Division)

Period of Position :

7 Years 8 Months

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Bachelor of Communication Arts,
Bangkok University

Training :

Nil

Working Experience in the Last 5 Years :

- **July 2021 - Present** Executive Manager (Sale Division)
Yuasa Battery (Thailand) Public Company Limited
- **2019 - 2021** Executive Manager (Sale Division)
Yuasa Sales and Distribute Company Limited
- **2016 - 2019** General Manager (Distribution Business Division)
Yuasa Sales and Distribute Company Limited
- **2014 - 2016** Assistant General Manager (Replacement Market,
Modern Trade Market and Marketing)
Yuasa Sales and Distribute Company Limited
- **2013** Assistant General Manager of Modern Trade Market
Yuasa Sales and Distribute Company Limited
- **2012** Assistant General Manager
Yuasa Sales and Distribute Company Limited

Mrs. Phanchita Xivivadh

Age 48 Years Old



Phanchita Xivivadh

Nationality :

Thai

Position :

Executive Manager (Operation)

Period of Position :

3 Years

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Bachelor of Business Administration (Accounting),
Ramkhamhaeng University

Training :

Nil

Working Experience in the Last 5 Years :

- **2021 - Present** Executive Manager (Operation)
Yuasa Battery (Thailand) Public Company Limited
- **2017 - 2021** General Manager (Financial and Accounting Division)
Yuasa Battery (Thailand) Public Company Limited
- **2015 - 2016** Assistant General Manager (Accounting and Financial
Department)
Yuasa Battery (Thailand) Public Company Limited
- **1997 - 2014** Financial and Accounting Manager
Yuasa Sales and Distribute Company Limited

Ms. Phatcharee Apirak

Age 52 Years Old

Phatcharee Apirak

Nationality :

Japanese

Position :

Executive Manager (Engineer)

Period of Position :

1 Year 8 Months

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Bachelor degree Faculty of Electrical Engineering,
Kansai University

Training :

Nil

Working Experience in the Last 5 Years :

- **2022 - Present** Executive Manager (Engineer)
Yuasa Battery (Thailand) Public Company Limited
- **April 2021** Manager, Group I , Engineering Department,
Production Engineering Division, Global
Technical Headquarters
GS Yuasa International Company Limited (GYIN)
- **April 2016** Assistant Manager, Group I , Engineering
Department, Production Engineering Division,
Global Technical Headquarters
GS Yuasa International Company Limited (GYIN)
- **April 2014** Engineering Group, Engineering Department,
Production Engineering Division, Global
Technical Headquarters
GS Yuasa International Company Limited (GYIN)

Mr. Hiroyuki Takahashi

Age 42 Years Old



Hiroyuki Takahashi

Nationality :

Thai

Position :

Assistant General Manager (Internal Audit
Department),
Secretary of Audit Committee 17 Years 8 Months
and Secretary of Corporate Governance Committee
7 Years

Period of Position :

17 Years 8 Months

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Master of Business Administration,
Ramkhamhaeng University
- Bachelor of Business Administration,
Rangsit University

Training :

- Program “Financial Management’s new visual”,
“Risk Management in Financial & Accounting”,
“IT Audit Practice and update new knowledge”,
“Risk Assessment Method for Internal Audit Planning”,
“COSO Enterprise Risk Management Integrated
Framework”, “Effective Minute Taking”

Working Experience in the Last 5 Years :

- **2017 - Present** Assistant General Manager (Internal Audit)
Yuasa Battery (Thailand) Public Company Limited
- **2016** Internal Audit Manager, Secretary of Audit
Committee and Secretary of Corporate Governance
Committee
Yuasa Battery (Thailand) Public Company Limited
- **2006** Internal Audit Manager and Secretary of Audit
Committee
Yuasa Battery (Thailand) Public Company Limited

Ms. Darawan Suksawat

Age 55 Years Old



Darawan Suksawat

Nationality :

Thai

Position :

Lawyer Assistant Manager /
Company Secretary

Period of Position :

5 Years 2 Months

Legal Dispute :

Nil

Proportion of Shareholding :

Nil

Relation to Management :

Nil

Education Background :

- Bachelor of Laws,
Ramkhamhaeng University

Training :

- Certificate of Thai Listed Companies Association:
Fundamentals for Corporate Secretaries No. 1/2019

Working Experience in the Last 5 Years :

- **2019 - Present** Company Secretary
Yuasa Battery (Thailand) Public Company Limited
- **2017 - Present** Lawyer Assistant Manager
Yuasa Battery (Thailand) Public Company Limited
- **2015 - 2016** Senior Legal
Yuasa Battery (Thailand) Public Company Limited
- **2013 - 2014** Lawyer Assistant Manager
PTG Energy Public Company Limited and
Petroleum Thai Corporation Company Limited

Mr. Peerasak Khantavichai

Age 45 Years Old



Peerasak Khantavichai

Information of the positions' holdings of the management and authorized persons in the Company

| Name | Yuasa Battery Thailand Public Company Limited Jan 1 st – Dec 31 st , 2023 |
|--|---|
| 1. Mr. Akira Kiyomizu | X, XX, M, / |
| 2. Mr. Pornchak Manutham | // |
| 3. Pol.Maj.Gen. Supchan Manutham | // |
| 4. Mr. Masashi Morimitsu | // |
| 5. Mr. Naoya Yamauchi | // |
| 6. Mr. Ryoji Abe | // |
| 7. Mr. Sukthae Ruengwattanachot | //, M |
| 8. Mr. Akom Kowthan | // |
| 9. Mr. Yothin Vimooktayon | //, /// |
| 10. Assoc.Prof.Dr. Lawan Thanadsillpakul | //, ///, //// |
| 11. Mr. Prasert Kitisakkul | //, ///, //// |
| 12. Assoc.Prof. Pisit Vatanasomboon | //, ///, //// |
| 13. Mr. Sampan Hongwachin | M |
| 14. Mrs. Phanchita Xivivadh | M |
| 15. Miss Phatcharee Apirak | F, M |
| 16. Mr. Hiroyuki Takahashi | M |
| 17. Miss Darawan Suksawat | A |

X = Chairman (Acting)

XX = Managing Director or Chief Executive Officer

/ = Vice Chairman

// = Director

/// = Independent Director

//// = Audit Committee

M = Management

F = Highest position in Finance and Accounting line (CFO)

A = Internal Audit Manager

4.1 Major assets of the Company

Major assets used in the Company's business as of December 31st, 2023 comprised of 3 main parts which are land, buildings and equipment, Investment properties and intangible assets with a total book value of 464.473 million baht with details of important assets as follows: -

| Asset types | Book Value (thousand baht) |
|----------------------------------|-------------------------------|
| a) Land, buildings and equipment | |
| 1) Land | 27,789.79 |
| 2) Buildings and Structures | 126,738.73 |
| 3) Machines and tools | 247,208.50 |
| 4) Office tools and equipment | 19,220.33 |
| 5) Vehicles | 5,344.96 |
| 6) Property under construction | 3,029.20 |
| 7) Machine during installation | 28,701.49 |
| b) Investment Property | |
| 1) Land | 2,320.90 |
| 2) Commercial building | 0.002 |
| c) Intangible assets | 4,119.38 |
| Total (a)+(b)+(c) | 464,473.27 |

The details of the land and the location of the factory are as follows: -

| Land | Location | Amount | Book Value (thousand baht) | Obligations |
|---|---|--------------------------------|-------------------------------|-------------|
| 1. The land where the factory is located at Bangpoo ^① | 164 Moo 5 Soi Thedsaban 55 Sukhumvit Road, Tai Ban Mai Subdistrict, Mueang, Samutprakan, 10280 | 11 Rai 1 Ngan 99 Sq.wah. | 1,957.63 | - |
| | | 3 Rai 35 Sq.wah | 10,000.00 | - |
| | | 3 Ngan 50 Sq.wah (Parking lot) | 6,319.86 | - |
| | | 3 Ngan 55 Sq.wah (Parking lot) | 5,063.50 | - |
| | | 1 Ngan 15 Sq.wah | 4,448.80 | - |
| 2. Land on which the office building is located (for rent) ^② | Soi Sukhumvit 51, Bangkok | 19 Sq.wah. | 92.00 | - |
| 3. Land owned by the Company ^③ | 226, 228 Satjakul Road, Hat Yai Subdistrict, Hat Yai District, Songkhla 90110 | 39.7 Sq.wah. | 2,128.90 | - |
| 4. Land owned by the Company ^④ | Thepharak Lakeland Agricultural Park Project 2 Sai Ongkharak-Banna Road, Photan Subdistrict, Ongkharak District, Nakhon Nayok | 100 Sq.wah. | 100.00 | - |
| Total | | | 30,110.69 | |

The details of the building are as follows: -

| Building and building improvement | Location | Ownership | Book Value (thousand baht) | Obligations |
|-------------------------------------|---|--------------------|----------------------------|-------------|
| 1. Bangpoo Factory ^① | 164 Moo 5, Soi Thetsaban 55, Sukhumvit Rd., Tai Ban Mai Subdistrict, Mueang Samut Prakan, Samutprakan 10280 | Yuasa Battery PLC. | 126,738.73 | - |
| 2. Commercial building ^③ | 226,228, Satjakul Road, Hat Yai Subdistrict, Hat Yai, Songkhla 90110 | Yuasa Battery PLC. | 0.002 | - |
| Total | | | 126,738.73 | - |

Remarks

① In 2019, the Company hired independent appraisers to assess lands and buildings (excluding parking spaces) of the factory, it was found that the appraisal price of the land amounted to 125.12 million baht and the building amounted to 53.91 million baht, totally 179.03 million baht.

② In 2021, the Company hired an independent appraiser to assess lands and buildings in Soi Sukhumvit 51. It was found that the appraised value of the land and buildings amounted to 30.00 million baht.





③ In 2021, the Company hired an independent appraiser to assess the land with the buildings, and it was found that the appraised value of the land and buildings amounted to 7.80 million baht.

④ In 2021, the Company hired an independent appraiser to assess the land, and it was found that the appraised value of the land amounted to 0.13 million baht.

4.2 Significant intangible assets in business operation

Significant intangible assets used in the operations of the Company as of December 31st, 2023 has a total book value of 4.119 million baht with details of important assets as follows: -

| Intangible asset type | Book value (thousand baht) |
|-----------------------|----------------------------|
| - Computer Program | 4,119.38 |
| Total | 4,119.38 |

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|---|---|
| Policy and overall business operation | 3-32 |
| Business Sustainability Development | 33-68 |
| Corporate Governance Policy and Business Ethics | 78-100 |
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| Audit Committee Charter |  |
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| Nomination Committee Charter |  |

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 the Audit Committee.

In 2023, there were 13 Audit Committee Meetings. The Audit Committee performed the duties under the scope of the duties and responsibilities stipulated/provided by law and by the guidelines in circular letters issued by the Securities and Exchange Commission, including assignments 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 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, the civil and commercial code, the public limited companies act, and the law relating to the Company's business;
5. Considering and giving advice on the appointment of the external auditor.
6. Audit Committee attended the seminars and trainings arranged by the Stock Exchange of Thailand, Thai Institute of Directors or other institutes relating to the duties of Audit Committee and reported the result of the meetings, seminars and trainings to Audit Committee's Meeting for acknowledgement and capability development. In addition, the Audit Committee monitored and updated the change of laws, rules and regulations as well as practice consistently.

Having considered the above-mentioned issues, In the year 2023, the Audit Committee had the opinion that the financial statements were prepared accurately and the adequacy of information disclosure was in line with the Thai Accounting Standards and abided by the related laws and regulations of the Securities and Exchange Commission and Stock Exchange of Thailand, the civil and commercial code, the public limited companies act, and the law relating to the Company's business.

However, the Audit Committee had additional advices for more efficient and effective internal control within the Company as follows: -

- 1) The Audit Committee had regularly been monitoring trade receivables overdue information as a preventive measure for default risk. The Management was also aware of the risk and had closely been following up on payment of major customers, as the defaults could materially affect sales and provision amounts. The Audit Committee advised that the Management continue an emphasis on default risk management.

2) The Securities and Exchange Commission issued a circular letter dated September 12, 2023 regarding role and responsibilities of the Audit Committee in monitoring and preventing inappropriate behaviors of listed companies that might affect the shareholders. Consequently, in the Board of Directors' Meeting held in November 2023, the Audit Committee informed the management and the Board of Directors about the recommendations, in order to provide collaboration and support to the Audit Committee in conducting the duties efficiently and effectively to prevent legal risk arising from the noncompliance with the laws and regulations or other types of risks that could affect the Company.

3) According to the aforementioned circular letter from the Securities and Exchange Commission, the Audit Committee is fully aware of the responsibilities and therefore in the year 2024 will monitor progress of major projects approved by the Board of Directors in 2023, such as Solar Rooftop, Improvement of battery production lines, and the Enterprise Resource Planning (ERP) system.

On behalf of Audit Committee



(Assoc. Prof. Dr. Lawan Thanadsillapakul)

Chairman of Audit Committee

February 13th, 2024

