



บริษัท ฟอร์จูน พาร์ท อินดัสตรี จำกัด (มหาชน)

FORTUNE PARTS INDUSTRY PUBLIC COMPANY LIMITED

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11 May 2017

Subject : Management Discussion & Analysis of Performance Results of Quarter 1/2017

To : Board of Directors and President of The Stock Exchange of Thailand

Fortune Parts Industry Public Company Limited (“FPI” or “The Company”) would like to submit the reviewed of interim financial statements for the three-month period ended 31 March 2017 which has been reviewed by certified public auditor as follows :

Overall performance results of the Company for the three-month period ended 31 March 2017, compared to the same period of the previous year were as highlighted below ;

	<u>Q1/2017</u>	<u>Q1/2016</u>	<u>% Change</u>
Sales and Service Income	461.37	466.72	-1.15
Cost of sales and Services	338.50	338.98	-0.14
Selling and Administrative Expenses	69.87	42.71	+63.58
Financial Cost	7.20	8.87	-18.92
Net Profit	44.97	64.22	-29.98

(Unit : Million Baht)

#### Total Revenues

In the three-month period ended 31 March 2017 and 2016, total revenues of the Company decreased from Baht 470.14 million to Baht 468.84 million, decreased by Baht 1.30 million or 0.28%. Sales and Service Income amounted to Baht 461.37 million for the three-month period ended 31 March 2017 decreased by Baht 5.35 million or 1.15% compared to the same period of previous year. The mainly reasons were the domestic sales decreased from OEM projects of Toyota that sales in first quarter 2017 and export sales decreased from Australia and New Zealand by Baht 33.59 million Meanwhile, sales in the European zone increased by Baht 32.87 million due to the relocation of EGR Australia's sales zone to EGR Europe to meet the country of delivery.

Net profit decreased by Baht 19.25 million due to the increase in exchange loss of Baht 9.05 million from the baht strengthened. Allowance for diminution in value of inventories increased by Baht 5.78 million due to the increase in inventory as the sales decreased. Selling and Administrative expenses increased by Baht 4.81 million due to increased cost of transportation per shipment.

### **Financial Cost**

In the three-month period ended 31 March 2017 and 2016, total financial cost of the Company decreased from Baht 8.87 million to Baht 7.20 million, decreased by Baht 1.68 million or 18.92% due to financial cost and cheaper financing compared to the same period of previous year.

### **Net Profit**

Net profit decreased by Baht 19.25 million due to the increase in exchange loss of Baht 9.05 million from the baht strengthened. Allowance for diminution in value of inventories increased by Baht 5.78 million due to the increase in inventory as the sales decreased. Selling and Administrative expenses increased by Baht 4.81 million due to increased cost of transportation per shipment.

### **Financial Position (in comparison to as of 31 December 2016)**

Overall financial position of The Company as of 31 March 2017, compared to the statement of financial position as of 31 December 2016, decreased from Baht 2,428.73 million to Baht 2,416.82 million, decreased by Baht 11.91 million or 0.49% due to factors as summarized below ;

### **Total Assets**

As at 31 March 2017, total assets was Baht 2,416.82 million, decreased by Baht 11.91 million from the ended 31 December 2016 mainly due to :

Cash and cash equivalents increased due to the Company Reserve for dividends payout and to invest in Safe Energy Holdings Company Limited after the end of the period.

Accounts receivable and other receivables decreased with declining sales in the first quarter of 2017 compared to quarter 4 of 2016, especially in South America.

Inventory increased due to the Company purchase of raw materials and components to support ALP FPI Parts Private Limited's project , which will be delivered in the second quarter of 2017.

Other current assets increased on the basis of export incentive revenue estimates and goods deposits.

### **Total Liabilities**

As at 31 March 2017, total liabilities was Baht 1,265.15 million, decreased by Baht 74.43 million from the ended 31 December 2016, mainly from Short-term loans from financial institutions decreased due to the payment of promissory notes due during the period. And account payable increased due to the purchase of raw materials and components to produce project for ALP FPI Parts Private Limited.

Long-term loans decreased due to the payment of trust receipt from import of machinery by the end of 2016.

**Shareholders' Equity**

As at 31 March 2017, shareholders' equity was Baht 1,151.67 million increased by Baht 62.52 million from Baht1,089.15 million as at 31 December 2016 mainly due to the net profit from operating for the period by Baht 44.97 million and shares to be issued from exercise of warrants increased by Baht 17.55 million.

Please be informed accordingly.

Yours sincerely,

-Mr.Sompol Tanadumrongsak  
Managing Director