

2013

Giving the Most Value to Stakeholder





"We are the one of the leading plastic automotive parts manufacturer and hub of ASEAN market automotive part with international standards onto worldwide"

Fortune Parts Industry Public Company Limited.

Is one of the leading manufacturer for plastic parts and sourcing hub for all kind of automotive parts in Thailand both Original Equipment Manufacturers (O.E.M.) and Replacement Equipment Manufacturer in Thailand.

ESTABLISHED in 1991, FPI was started out a an automotive replacement parts manufacturing which experienced continual expansion in such ways that it extended its production base to a body parts plant and eventually a vertically integrated company with world class manufactory standards.

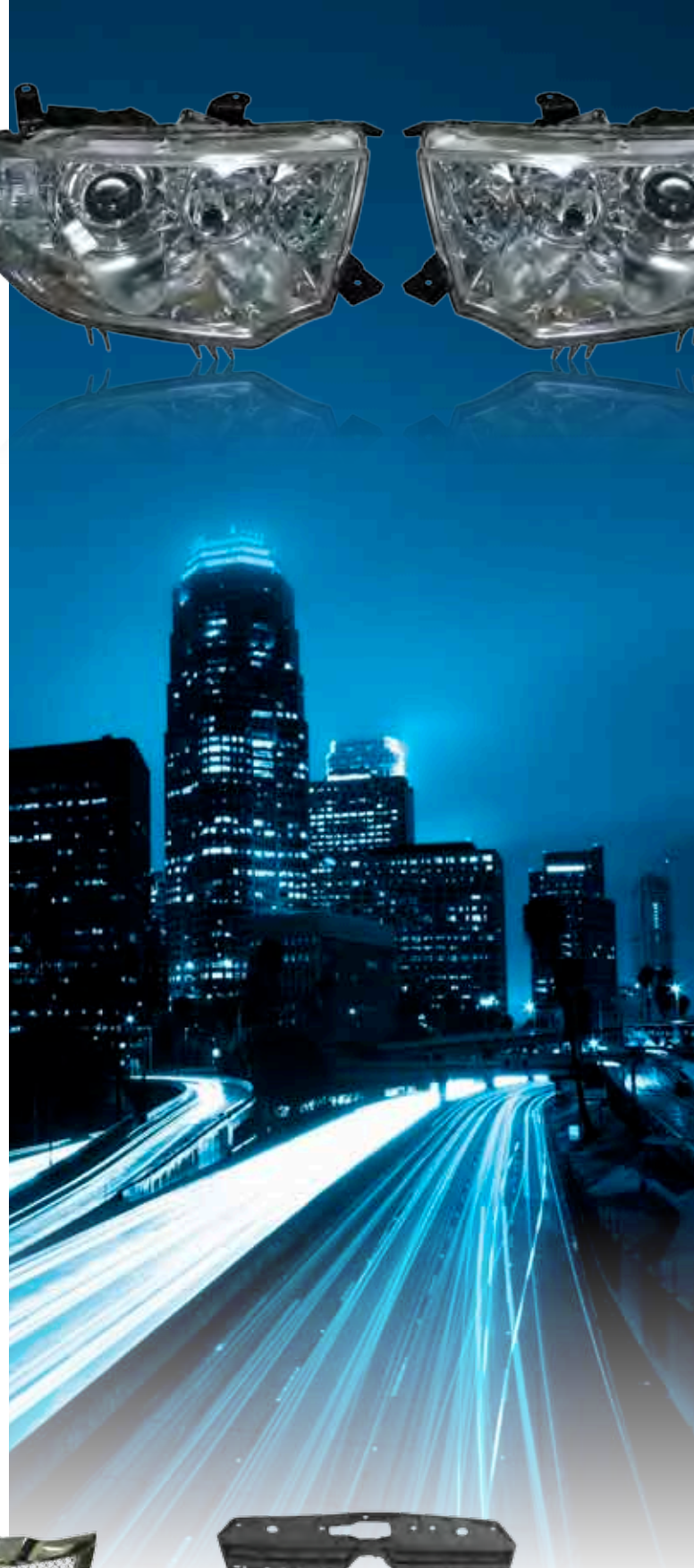
WITH over 21 years of experience, profession expertise, strong client base and plastics injection technology, FPI has manifested continued development and has been able to meet customer's requirements.

"GREEN ECO
FRIENDLY PRODUCTS"



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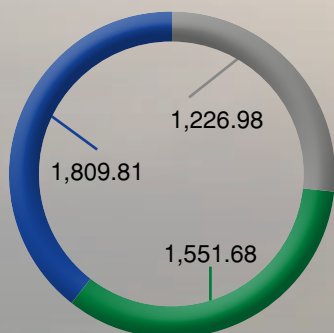


Financial Highlight

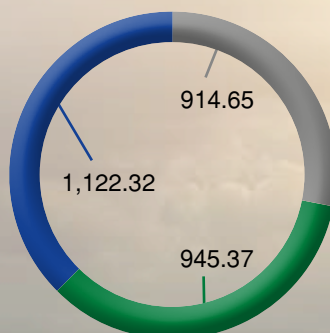
Unit : Million Baht

Description	2011	2012	2013	+/-
Total Assets	1,226.98	1,551.68	1,809.81	16.64%
Total Liabilities	914.65	945.37	1,122.32	18.72%
Equity	312.33	606.31	687.49	13.39%
Paid-up Capital	232.00	295.00	295.00	0.00%
Total Revenue	1,300.37	1,585.86	1,721.96	8.58%
Net Profit	72.14	159.03	163.77	2.98%
EPS (Baht)	0.22	0.55	0.51	-7.27%
Net Profit Margin (%)	5.55	10.03	9.51	-5.16%
ROA (%)	5.88	10.25	9.05	-11.71%
ROE (%)	23.10	26.23	23.82	-9.18%
D/E Ratio	2.93	1.56	1.63	4.70%

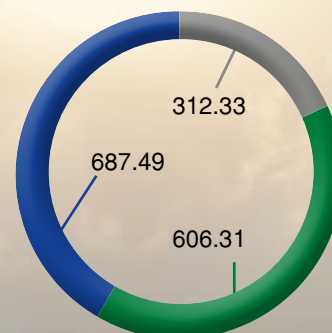
Total Assets



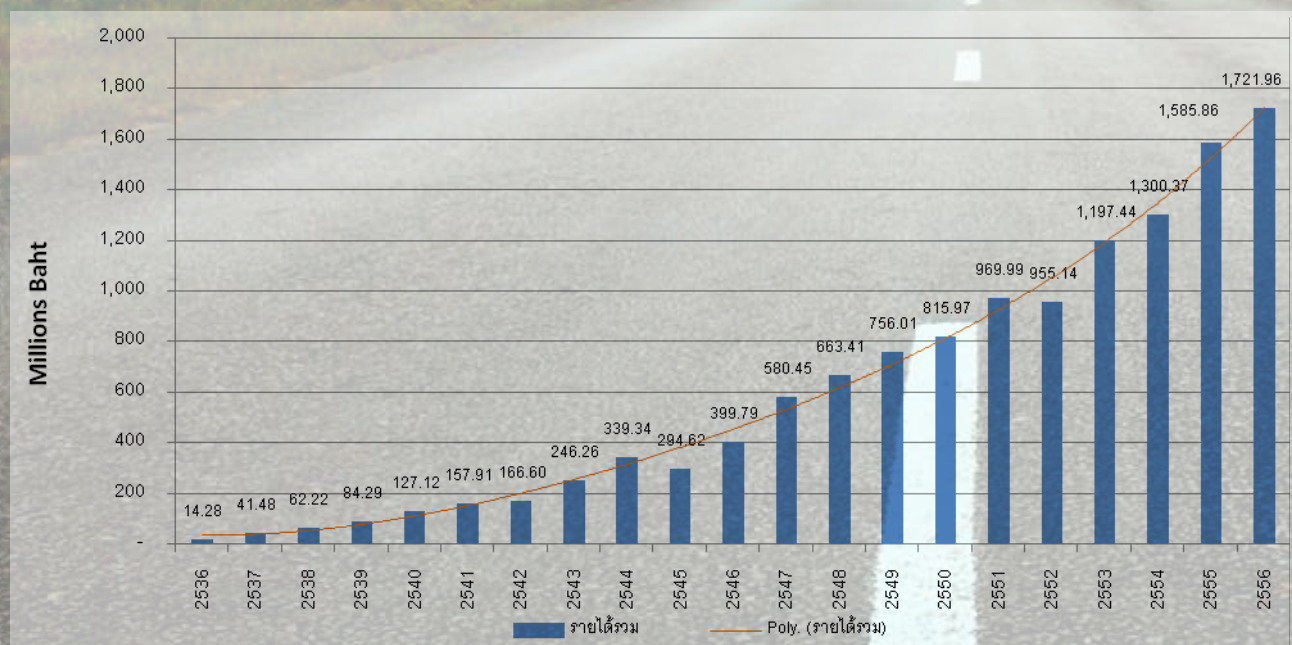
Total Liabilities



Equity



Total Revenue from Year 1993 - 2013



"The Company is committed to developing and improving products. And value creation in the company's products by research and development innovation to create maximum satisfaction to customers as a consumer. And business development by building alliances across all regions. To enhance their ability to compete in world market. By the Corporate Government Committee ethics in business, transparency in administration. Against corruption both within and outside the organization as well as encouraging business partners with accurate and transparent as well. And measures to detect continuous and strict. The awareness and sense of social responsibility, community and environment. As well as the importance of improving the quality of life of employees. Including stakeholders, the Company has determined to adhere to the following guidelines as the following :

Vission

"We are the one of the leading plastic automotive parts manufacturer and hub of ASEAN market automotive parts with international standards onto worldwide."

Business Strategy

The company has deployed a strategy to compete in the business arena by adhering to the mission of "Giving the Most Value to Customers" through our 7 business development policies i.e.:



Forever Continuous Improvement

We start right from product quality development, product development research and capacity enhancement in bid to bring about new competitive innovations.

Producing Quality Products

As the Company is dedicated to offering quality products and service and , it ensures quality of every stage from designing products by 3D computer program for the entire production process which meets international standard

International Penetration

To ceaselessly expand market base for both OEM and REM worldwide. It has participated in a number of internationally-acclaimed auto trade fairs around the world.

Customer Satisfaction

Creating customer satisfaction has always been at heart of the operation. Our sales force can communicate in many languages and thus can effectively respond to customers around the world. To add, the service is catered to them with utmost hospitality and sincerity in order to build long-lasting relationship.

On Time Delivery

Delivering products on time is another serious commitment of the company. Advanced logistic management system is put in place to provide on-time delivery.

Alliance

Create a business partnership that extends from upstream as well as downstream.

Sustainability Development

Create a sustainable society, business and stakeholders. Using principle of good governance and anti-corruption function.



Message from the Executive Committee



...For the year 2013, the Executive Committee is committed to co-operate with industry-leading global manufacturer of automotive parts, continue to focus on production quality...

Sompol Tanadumrongsak

Chairman of the Executive Committee

More over 20 years since FPI founded, the year 2012 as a success year of Fortune Parts Industry Public Co.,Ltd. in parallel with the growth of the automotive industry in Thailand that has produced at 2.46 million car units, it is the most archived in 50 years since Thailand's automotive industry started. And total production in the year 2017 is expected to reach 3 million car units by a policy of trade liberalization and economic integration AEC is an important driving force.

Since 2005, the company has developed technology to shift up the standard of production process from Replacement Equipment Manufacturer (REM) to Original Equipment Manufacturer (OEM) production standards. By use technology from Japan and Germany which is green technology, environmental friendly. The company's products are recognized by customers for more than 119 countries worldwide. The company has revenues from export more than 1,460 million Baht per year.

On the occasion of celebrating the 20th anniversary of the establishment the Securities and Exchange Commission (SEC), FPI has been selected as the first company of "the pride of the province" project, the first of Pathum Thani province. Therefore, the company is the first courage in Thailand for this project. And the company has been listed on the Market for Alternative Investment (mai) on September 20, 2012. Whole had made the Executive Committee and Employees pride.

For the year 2013, the Executive Committee is committed to co-operate with industry-leading global manufacturer of automotive parts, continue to focus on production quality, expand production capacity with cost efficiency, product development to meet customer needs. Include the continuous development under Corporate Governance (Corporate Governance; CG) and is always aware of Corporate Social Responsibility (CSR) with the support in the Education, creating jobs and income to promote health and sustainable cultural practices to enhance the social well-being parallel with the development of the country. There are the reason for the maximize return to shareholders in the long term.

Lastly, I would like to thank all the shareholders, trade partners and financial institutions who have trusted and have always provided support. Thanks also to our employees who have demonstrated commitment, perserverance, patience, and worked tirelessly together during this past year.

Report of the Audit Committee



...2013 had been under internal control and appropriate internal audit, carried out with , good , governance, transparency...



Ph.D. Naris Chaiyasoot

Chairman of the Audit Committee

Dear Shareholders,

The Audit Committee of Fortune Parts Industry Public Company Limited was appointed by the Board of Directors consists of three (3) independent directors. The Audit Committee is responsible to review the Company's financial statements to ensure that it is correct and adequate disclosure of the internal control system and the internal audit are appropriate and effective, compliance with relevant laws and regulations, consider, select, and propose the appointment of the external auditor of the Company, consider the disclosure of Company's information to be accurate, complete, and perform their duties independently.

In year 2013, the Audit Committee had carried out the duties under the responsibilities according to the principles of good governance by holding 4 committee meetings as can be summarized as follow :

1. Reviewed quarterly and annual financial statements of 2013 with the Finance and Accounting Department and external auditors to ensure that the statements have project accurate financial status and operating results and conformed to Generally Accepted Accounting Principles (GAAP). The Audit Committee had also ensured the significant information of the financial statements had been disclosed, events after the statement of financial position date, and accounting adjustment significantly affecting the financial statements in the note to the financial statements before they were filed to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
2. Reviewed the sufficiency of the internal control system with the internal auditor and provided recommendations to the Internal Auditors in order to generate efficient operational results. Considered the Company's risk and COSO evaluated in order to report to the Board of Directors for the future actions.
3. Reviewed operational results of various Departments to ensure that the Company has been aware and attached importance to the management of business according to the principles of good governance by focusing on efficient control of business operations, transparency and ethical conduct, which would bring about confidence among shareholders, investors and all parties concerned.

4. Attend the meetings with the auditor for quarterly and yearly to discuss and listen the explanation relating to the auditing results and important information relating to financial statements, internal control information and the change of accounting policy which could significantly affect the financial statements.

5. Followed up the changes in accounting standards to ensure that the accounting system of the Company conform to Generally Accepted Accounting Principles (GAAP).

6. Ensured that the Company follow up the Acts, rules and regulations relating to the securities and exchange, the regulations of the Stock Exchange of Thailand and laws relating to the business of the Company.

7. Reviewed and approved connected transactions between the Company or its subsidiary company and the persons or juristic persons or connect juristic persons to ensure that they have complied with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

8. Reviewed the risk management and the progress of enterprise risk management from the report of Internal Audit of the Company to ensure that any risks of the Company has managed to an acceptable level of risk management plan for the year 2013, and acknowledge the risk management from time to time, The Audit Committee deemed that the Company has the risk management on appropriate level. The Audit Committee has training to management level employees to know and understand risk and managed risk to low level. Considered and provided recommendation on improvement of the management, the operations, internal control and other related matters of the Company to increase the efficiency and effectiveness of the Company's operations as well as to follow up the recommendations or remarks or comments

9. Summarized results of the meetings of the Audit Committee in order to report to the Board of Directors for acknowledgement or for consideration after every such meeting.

10. Approved the annual internal audit plan as well as providing operational guidelines for the audit program, followed up the progress of the operations according to the recommendations of the Audit Committee meeting.

11. Considered, selected, nominated and recommend compensation the auditor for year 2013 to be submitted for approval by the Board of Directors and to be future proposed for approval by the ordinary meeting of shareholders. The Audit Committee has considered the performance, independence, and appropriateness of remuneration, deemed it appropriate the appointment of the auditors of Ernst & Young Office Limited by Miss Sumalee Reewarabandith, C.P.A. License No. 3970 or Mr. Termphong Opanaphan, C.P.A. License No. 4501 or Mr. Khitsada Lerdwana, C.P.A. License No. 4958 and fixing the auditors' remuneration for the year amount Baht 1,440,000 The said auditors have no relationship or conflict of interest with the Company, executives, major shareholders or connected persons.

12. The Audit Committee has performed the full scope of authority set forth in the Charter of the Audit Committee in compliance with the Securities and Exchange Law and regulations of the Stock Exchange of Thailand.

The Audit Committee is of the opinion that the operations of the Company for year 2013 had been under internal control and appropriate internal audit, carried out with good governance, transparency, ethical conduct and sufficient internal control. Relevant requirement and laws had been properly observed and the management had performed its duties honestly to protect the interest of the Company and the shareholders. In addition, the Company had also improved the working and management system on a regular basis.

Board of Director



Mr.Por Tanadumrongsak
Chairman of the Board



Mr.Sangcharean Tanadumrongsak
Vice Chairman



Mr.Sompol Tanadumrongsak
*Director, Chairman of the Executive
Committee and Managing Director*



Mr. Somkit Tanadumrongsak
Director



Mr. Yanyongchai Tanadumrongsak
Director



Mrs. Raweewan Mathong
Director



Mr. Naris Chaiyasoot (Ph,D)
*Independent Director and Chairman
of the Audit Committee*



Mr. Anant Gatepithaya
*Independent Director and
Audit Committee*



Mr. Pumipat Sinacharoen
*Independent Director and
Audit Committee*

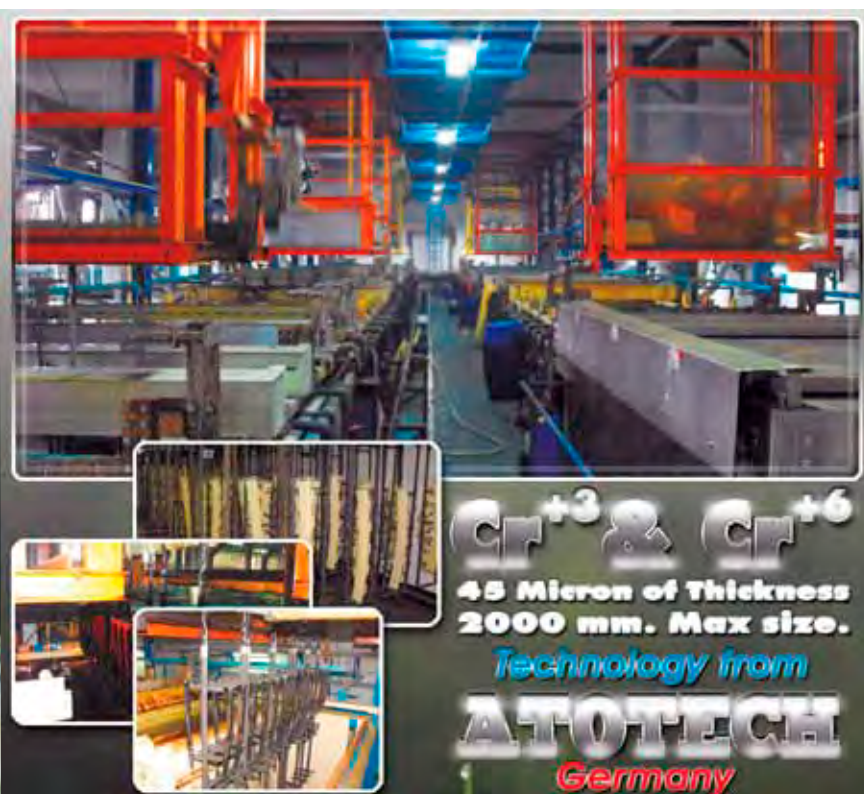
General Company Information

Company Name	: Fortune Parts Industry Public Company Limited
Set Symbol	: FPI
Registration No.	: 0107547000508
Business Type	: Designing product & making tooling for plastic automotive parts production which sells both Replacement Equipment Manufacturer (REM) and Original Equipment Manufacturer (OEM) automotive parts, as well as provides injection, chrome plating and painting services for all plastic products.
Head Office and Factory	: 11/22 Moo 20 Nimitmai Road, Lamlukka, Lamlukka, Pathumthani 12150
Telephone	: 0-2993-4970-77
Fax	: 0-2993-4982
Web Site	: http://www.fpiautoparts.com
Registered Capital	: THB 320,000,000 with a par value of THB 1.00
Paid-up Capital	: THB 295,000,000 common share with a par value of THB 1.00
Human Resource Department	: Khun Virithpol Muennara Telephone : 0-2993-4970-77 ext. 121 e-mail : virithpol@fpiautoparts.com
Company's Secretary	: Khun Jaruwan Chatwichian Telephone : 0-2993-4970-77 ext. 112 e-mail : sect@fpi.co.th ; jaruwan@fpiautoparts.com
Investor Relation	: 1. Khun Sompol Tanadumrongsak Telephone : 0-2993-4970-77 ext. 200 e-mail : ir@fpi.co.th 2. Khun Nussara Tanadumrongsak Telephone : 0-2993-4970-77 ext.100 e-mail : ir@fpi.co.th 3. Khun Jaruwan Chatwichian Telephone : 0-2993-4970-77ext. 112 e-mail : ir@fpi.co.th



Other Reference

Registrar	: Thailand Securities Depository Co., Ltd.
Address	: 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 0-2229-2800
Fax	: 0-2654-5642
Web Site	: www.tsd.or.th
Auditor	: Ernst & Young Office Limited
Address	: 193/136-137 20/FL., Lake Ratchada Ratchadapisek Road, Klongtoey
Telephone	: 0-2264-0777
Fax	: 0-2264-0789
Web Site	: http://www.ey.com
Legal Advisor	: Dej-Udom & Associates Ltd.
Address	: 942/142-3 Chan Issara Tower I, 9/FL., Rama IV Road, Bangkok
Telephone	: 0-2233-0055, 0-2233-0068
Fax	: 0-2236-6681
Web Site	: http://www.dejudomlaw.com



Company Background

Fortune Parts Industry Public Company Limited was established on November 26, 1991 under the name of “Fortune Parts Industry Company Limited” with initial registered capital of 2.00 million Baht. In the beginning, the Company imported 2 molds from Taiwan and hired other factories to produce and sell in Thailand. In 1993, the Company imported 20 molds from Taiwan to produce grill, bumper and other auto parts generated from plastic by itself. Thus, the Company entered into auto parts industry entirely including plastic injection, chrome plating, painting and assembly, including mold design and development. In May 18, 2004 the Company converted into public company limited together with the change of its name to “Fortune Parts Industry Public Company Limited”. On December 27, 2013, the Company had registered capital of 320,000,000 Baht and paid up capital of 295,000,000 Baht.

Major developments of the Company in the past can be classified as follows:

- 1993 • Increased paid up capital to 20.00 million Baht for importing 20 molds from Profortune Industry Company Limited
- 1994 • Increased paid up capital to 40.00 million Baht, which Profortune Industry Company Limited from Taiwan invested in the Company by holding 20% of total paid up capital.
- 1996 • Increased paid up capital to 60.00 million Baht and began to produce molds by hiring specialist from Taiwan to work with the Company.
 - Initially participated in auto parts expo “AMPA SHOW” in Taiwan and exported products to foreign countries.
- 2001 • Increased paid up capital to 80.00 million Baht to purchase land, 11 rais 60 square wah for building a factory at Lamlukka klong 7 for expanding its production base prepared for foreign customers expansion.
- 2002 • Moved factory from Lamlukka klong 7 to Lamlukka Klong 4 which usable area of 16,000 Sqm.
- 2004 • Restructured its shareholders since Profortune Industry Company Limited sold its business and sold the Company’s shares back to Tanadumrongsak family.
 - Converted to public company limited and changed the name to “Fortune Parts Industry Public Company Limited”.

2004-2005 Increased paid up capital to 200.00 million baht for business expansion as follow:

- Built factory and warehouse on area of 14 rais 1 ngan 28 sqaure wah, totally 25 rais 1 ngan 88 square wah for expanding all production processes.
- Invested in automatic chrome plating line, which increased capacity from 13 million square decimeters per year to 49 million square decimeters per year.
- Mold development and research by importing CNC machine (Computer Numerical Control) and EMD machine (Electrical Discharged Machine) from foreign countries for building large tools such as bumper and grill. Consequently, the Company was able to reduce its cost from import mold from foreign countries.
- Increased another automatic painting line, total 2 lines, prepared for OEM customers, causing in an increase of painting capacity to 15.72 million square decimeters per year.

- 2009
 - Modified chrome plating system by using technology and chemical solution from UEMURA (Japan) and ATOTECH (German) for improving its quality from REM quality to OEM line with Trivalent Chrome Plating (Cr^{3+}) which used better biodegradable chemical solution than Hexavalent Chrome (Cr^{6+}) and increased capacity by 5 million square decimeters to 54 million square decimeters per year.
- 2010
 - Built raw material warehouse area of 1,800 square meters.
 - Invested in 4 injection machines, total 20 injection machines which increased its capacity to 4,103 tons per year.
 - Built a painting line, total 3 lines, capacity was increased by 15.72 million square meters to 22.22 million square meters
 - Purchased nearby land area 20 rais 4 square wah prepared for automotive customers' demand and separated OEM and REM customers.
- 2011
 - Invested in a plastic injection set up with robot system which increased its capacity to 4,839 tons per year.
 - Increased a painting line, total 4 lines which increased its capacity from 22.22 million square decimeters to 28.72 million square decimeters per year, prepared for OEM customers.
 - Increased registered capital to 295.00 million Baht by issuing 95.00 million shares, with a par value of 1.00 Baht which can be allocated as follows:
 - 32,000,000 common shares to existing shareholders, which already allocated, resulting in the Company had paid up capital of 230,000,000 shares
 - 60,000,000 common shares offer to initial public offering.
 - 3,000,000 common shares offer to the Company's directors and employees.
- 2012
 - Acquired two more plots of land nearby i.e. 4 rais and 1-2-99 rais to prepare for continuous improvement expansion of production, research & development and mold makings area, new office building and showroom.
 - List our company in Stock Exchange of Thailand for Market for Alternative Investment (MAI) on September 20, 2012.
- 2013
 - Expansion capacity 49% for bumper and grille.
 - Expansion capacity for R&D

Type of Business

Fortune Parts Industry Public Company Limited (“the Company”) is Our capability within the industry of plastic mold design and manufacturing has earned an excellent reputation. The success and growth during the pass years has clearly proved that we have accomplished our goal... Being the most experienced manufacturer in the industry

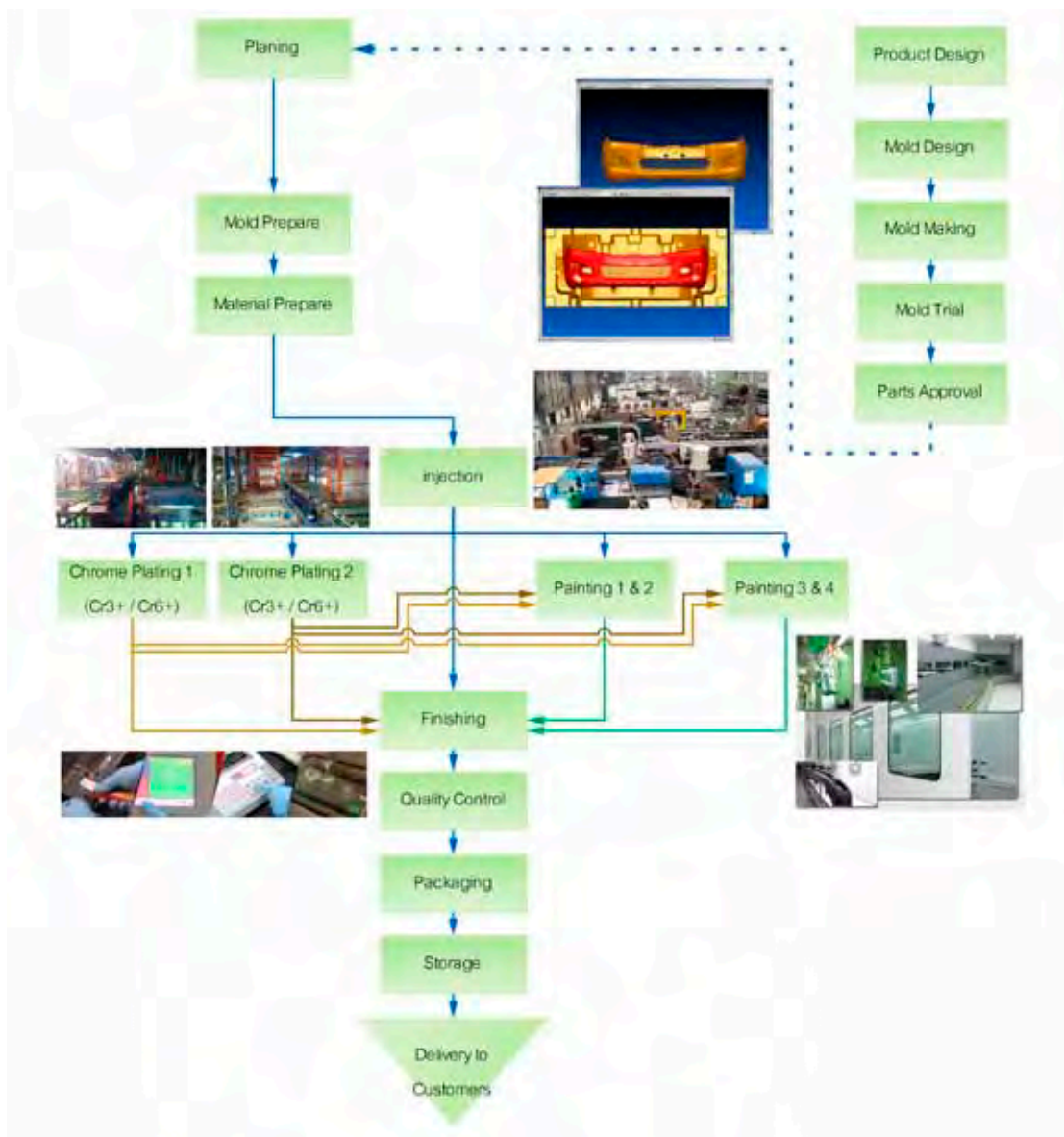
“FPI” is always able to provide the best technical support to our clients’ production needs. Our company’s highly skilled and experienced professionals use the latest technology to consistently create products with outstanding quality and the highest precision.

The several processing is also our strength.

With more than 500 employees and The big size of injection machines , highest technology of ABS chrome plating process and 2K type of painting spray booth, we are able to accept a large volume of work with different projects.

Our company offers the most complete services from

- Mold design and development
- Plastic injection, Machine size : 100 tons~2600 tons
- ABS Chrome Plating
- Painting, Finishing & assembly
- Products warehousing to support customers
- International Standard i.e. ISO 9001, ISO/TS 16949, ISO14001 and OHSAS18001



In additions, Fortune Parts Industry Public Company Limited is a leading of suppliers parts i.e. Body Parts, Suspension Parts, Engine Parts, Electrical Parts, Coolant Parts and Accessories with vision "the one of the leading plastic automotive parts manufacturer and hub of ASEAN market automotive parts with international standards onto worldwide"

FPI's Main Products

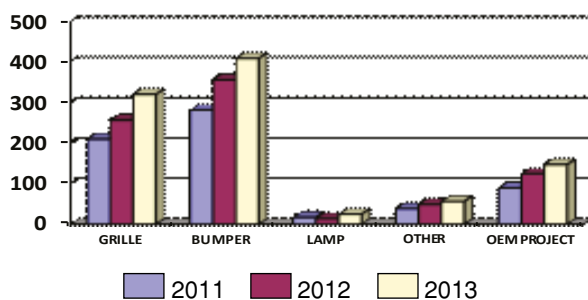
Bumper Grille Head Lamp Tail Lamp Skirt Spoiler and other product these produced from plastic injection.



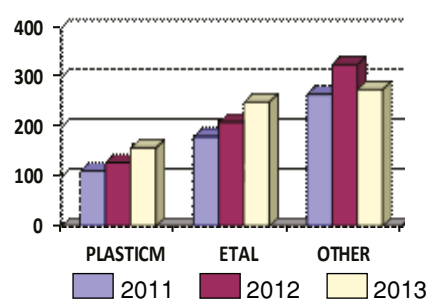
Income Structure

Revenue Classification	2011		2012		2013	
	MB	%	MB	%	MB	%
Products Produced by FPI						
1. Replacement Equipment Manufacturer (REM) Plastic Parts						
- Grille and Head Light Door	210.34	16.18	257.22	16.22	320.74	18.63
- Bumper and Valance Panel	282.35	21.71	356.39	22.47	409.31	23.77
- Auto Lamps	17.37	1.34	13.97	0.88	24.85	1.44
- Other Replacement Parts	38.40	2.95	49.20	3.10	56.52	3.28
2. Original Equipment Manufacturer (OEM) Plastic Parts	89.68	6.90	124.76	7.87	147.48	8.56
Total Revenue from Products Produced by FPI	638.15	49.07	801.54	50.54	958.90	55.69
Trading Products						
1. Replacement Equipment Manufacturer (REM) Parts						
- Replacement Equipment Manufacturer Plastic Parts	111.29	8.56	128.35	8.09	158.05	9.18
- Replacement Equipment Manufacturer Metal Parts	180.73	13.90	209.94	13.24	250.52	14.55
- Other Replacement Equipment Manufacturer Parts	38.61	2.97	31.07	1.96	31.27	1.82
2. Original Equipment Manufacturer (OEM) Plastic Parts	227.45	17.49	294.96	18.60	244.36	14.19
Total Revenues from Trading Products	558.09	42.92	664.32	41.89	684.20	39.73
Revenues from Other Products	13.04	1.00	7.09	0.45	5.44	0.32
Total Revenues from Sales	1,209.27	92.99	1,472.96	92.88	1,648.54	95.74
Revenues from Services	17.16	1.32	27.25	1.72	11.84	0.69
Other Revenues ¹⁾	73.94	5.69	85.65	5.40	61.58	3.57
Total Revenues	1,300.37	100.00	1,585.86	100.00	1,721.96	100.00

Remark : ¹⁾Other revenues consist of export compensation revenues, gain from exchange rate, interest income, gain from sales of molds, and sales of scrap.

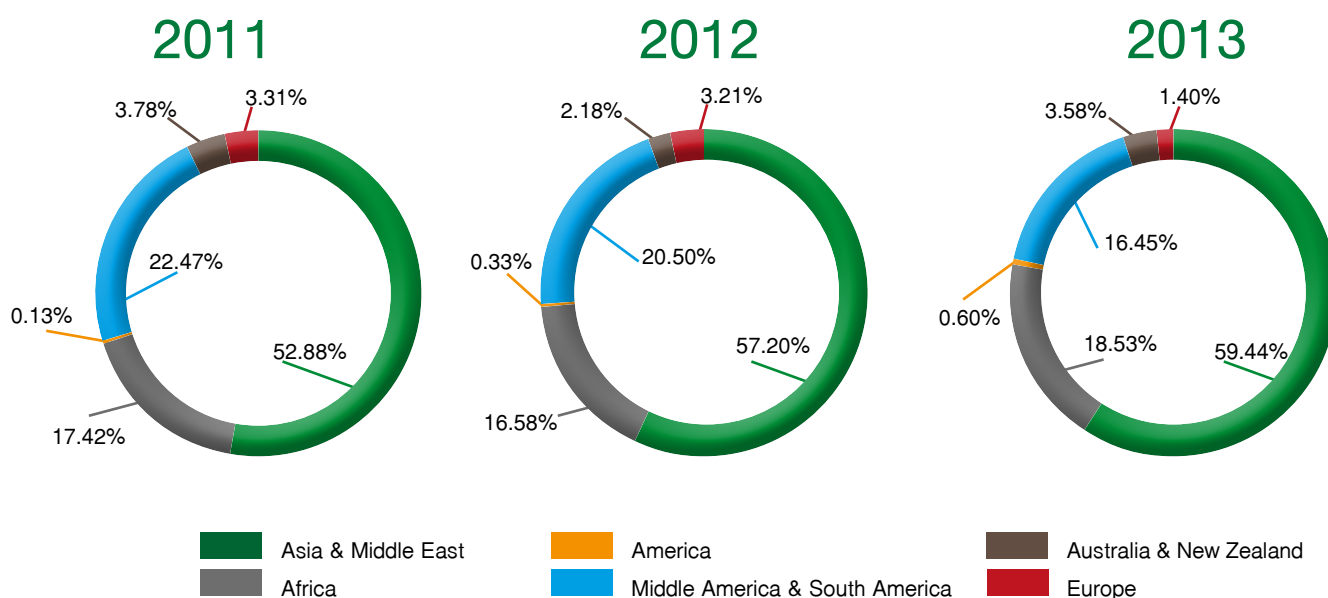


Revenue from FPI's Products

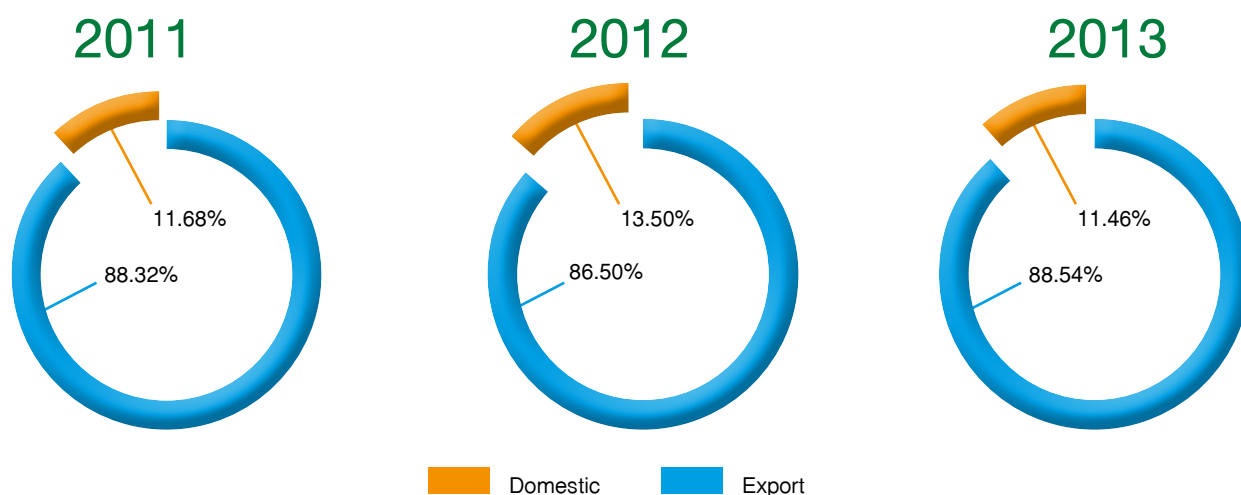


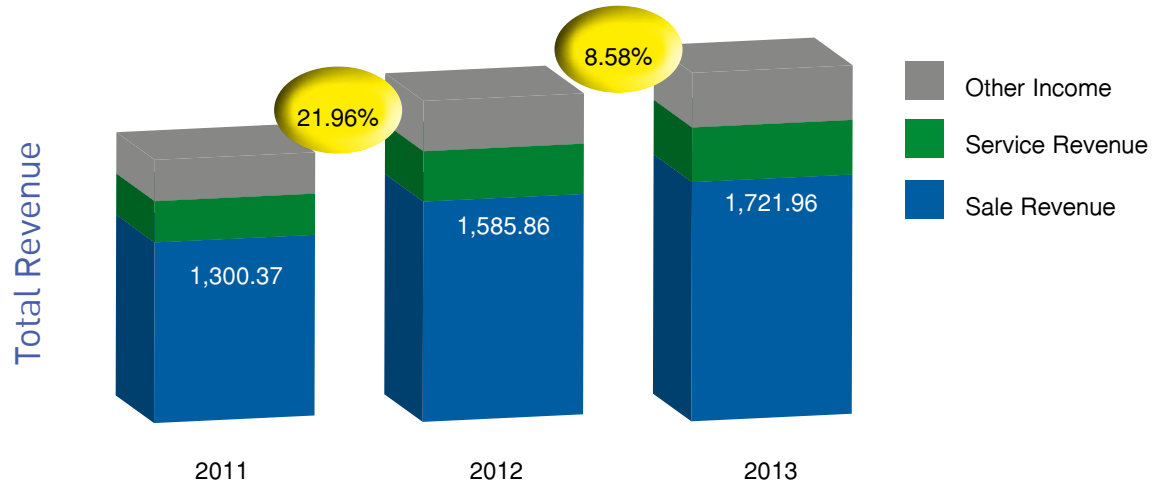
Revenue from Trading Products

Portion Sales by Zone



Sale Ratio : Domestic & Export



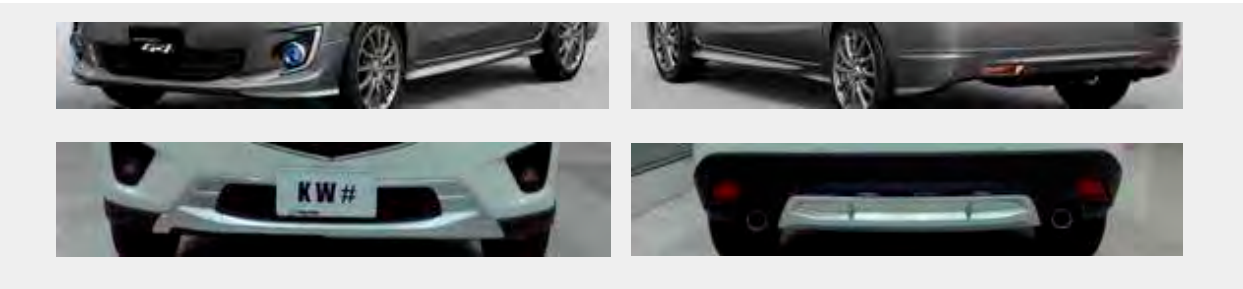


Future Plan

Fortune Parts Industry Public Company Limited has a master plan to develop competitiveness. The action plan has divided into 2 main groups as follows :

1. Production Products

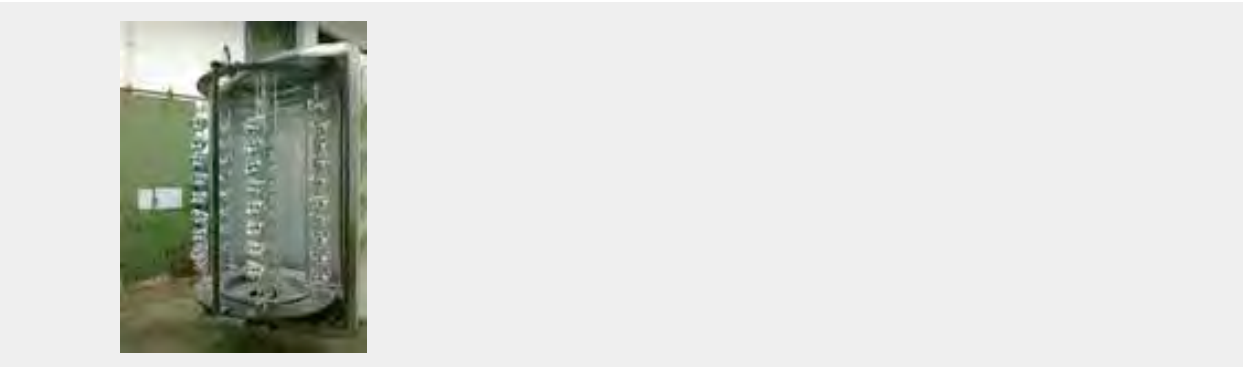
- Bumper : Capacity up to 3,950 tons/year, or an increase of 52% for Plastic Bumper spoiler



- Grille : Capacity up to 3,100 tons/year, or an increase of 34% for Accessories, Grille modification and other accessories



- Increase Vacuum plating process for the lamp to reduce production costs.



- Build Business alliance for plastic O.E.M



- Focus on automotive parts business partners every other category.



- Focus on brand building to enhance the value product. (BRAND FPI) to accommodate future growth in both domestic and foreign companies have invested in building consists :



- New office building areas 2,800 square meters amount Baht 50 million (including built-in)

- New warehouse area 28 rai, the ares about 10 rais in the first phase and the capacity to accommodate new products, up 48,000 square meters from 24,000 square meters, total 72,000 square meters or increase 50%.

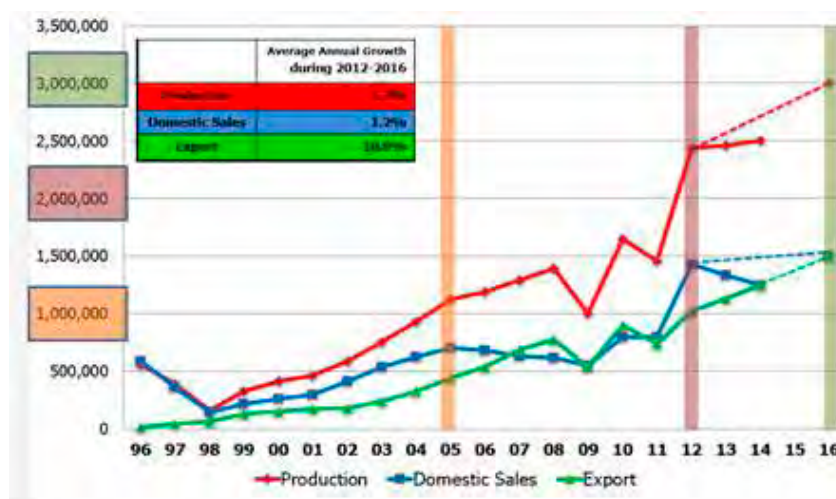
Source : The international Organization of Motor Vehicle Manufacturers (OICA) (2013)

Thailand Automotive Overview

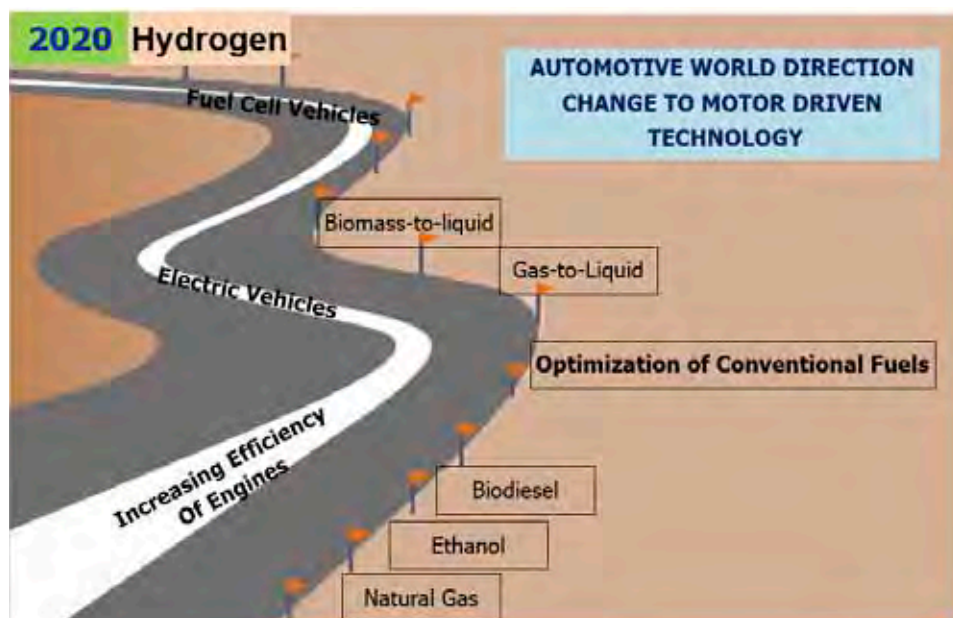


From 2 mil.unit Production in 2012

To 3 mil.unit Production 2016



Direction of the development of the automotive world



Risk factors and the factors that affect investment decisions

1. Risk on material price and material procurement

The main materials which the Company uses in production process are Acrylonitrile Butadiene Styrene and Polypropylene. In 2011 and 2012, and 2013 the proportion of plastic purchased to total raw material purchased were 54.54% and 55.25% and 54.93% respectively. These material values vary according to crude oil price and the demand and supply of those materials in the global market during the different period which is the uncontrollable factor of the Company. However, the Company has assigned a specific work force to closely monitor the price of materials, tendency analysis and assessment of material need. Furthermore, the Company has a policy not to rely on any single supplier, as a result the effect on this risk on the Company is not much.

2. Risk on the fluctuation of exchange rate

Almost all of the Company's revenues are in US Dollar which generates from export representing 88.22% and 86.50% and 88.54 from total sales of 2011 and 2012 and 2013. At the same time, the Company purchased machines, materials and some trading products from foreign countries. Most of these transactions are paid in US Dollar which can mitigate some of the exchange rate risk consider as a natural hedge. Moreover, the Company has a risk management policy to mitigate the impact of exchange rate risk by purchasing forward contract covering 6 months oversea account receivable.

3. Risk from lack of long-term contracts

Practically, there is no long term contract with customers in auto parts industry. For Original Equipment Manufacturing, the mold production contract and minimum purchasing order might be specified. For Replacement Equipment Manufacturing, the contract agreement will not be established but will have only purchasing order. In case of auto parts, which has not produced and sold in Thailand, the customers have to provide their yearly projection purchasing orders. Regarding to the Company's production capability especially replacement auto parts and efficiency in product on-time delivery, the Company has acquired the customer's confident, resulting in the repeated customers. Even the lack of long-term contracts, 70% of the clients has been the customers of the Company for more than 10 years.

4. Risk of Asean Economic Community (AEC)

Asean Economic Community in 2015 is the most challenge matter to Thailand's auto parts industry. Each country will try to be more competitive and provide strategy to attract more investment. However, Thailand still has advantages in producing diesel engines and being 1 ton pickup and eco car production base. The Company has already prepared for AEC. In OEM, the Company has full production line including plastic injection, chrome plating, painting and CNC machines for creating mold by itself. Moreover, the Company has been certified on its production standard both general production standard and specific automotive industry standard. For REM, the Company has been in the industry for long time and possess a number of molds especially Japan pick up, since Thailand is 1 ton pick up production base as well as understands customers' behavior in each area and maintain good relationship with customers. Then, the Company still has competitive advantages.

5. Risk on Auto Parts Industry Competition

There are a lot of OEM entrepreneurs in Auto Industry, around 1,800 companies in Thailand. Due to the relocation of 1 ton pick up production base to Thailand in 1993, Auto Industry has grown continually. In 2012 the automotive production volume is 2.46 million cars from 1.46 million cars from 2011. Moreover, the automotive parts and labors will be independently transferred throughout the ASEAN when the commencement of Asian Economic Community in 2015 and the competition will be severer. The Company has prepared for AEC with a full production line, CNC machines for mold building by itself, and production certificates. From the above mentioned, the Company is confident that it has capability to compete with other entrepreneurs.

For REM auto parts industry, the competition is limited. Each entrepreneur has its niche market, while plastic body parts replacement producers for Japan 1 ton pickup have approximately 10 companies which are the Company's main competitors. Since the Company has been in this industry for more than 20 years, it has more than 1,500 molds. Most of them are Japanese 1 ton pickup molds which the Company has an advantage because Thailand is 1 ton pick up production base. Moreover, the Company production quality is similar to OEM products, making the company a favor in this industry.

6. Risk of the sanctioned countries list customers

Due to the Company exports and sells to countries which are in sanction countries list, countries with sovereignty concern such as Iran, Iraq, Lybia, Sudan, Syria, Afghanistan and Myanmar, The Company may have risk on cannot collect money from these countries.

However, most of the Company's customers in this group do not have payment problem but have limitation in oversea fund transfer causing the longer period to transfer the funds. The revenues from this group equaled to 6%-7% of total revenues by average from the past, respectively. However, the Company is always cautious on selling to these countries by dealing with only its existing customers who have strong statement and good credit profile. For new customers, they have to transfer money before the Company delivers its products (T/T before Shipment).

7. Risk on flooding problem

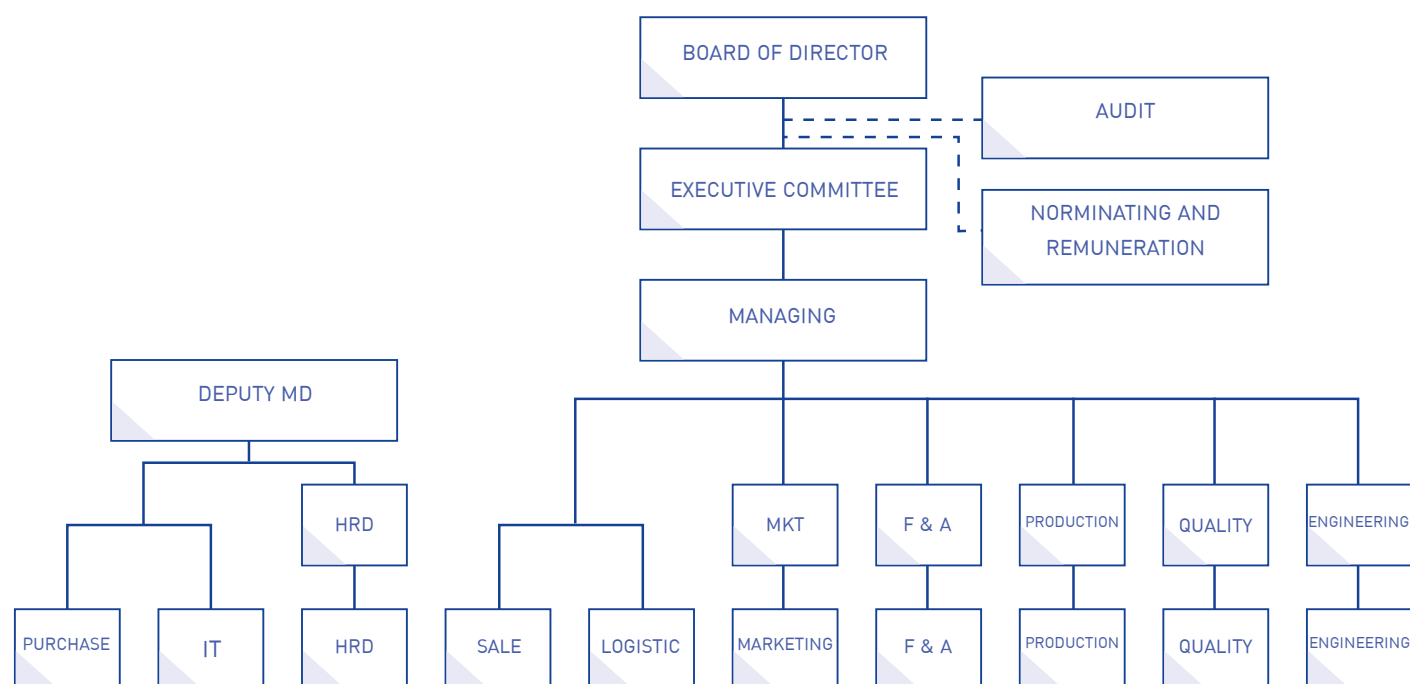
In 2011, surrounding factories faced flood problem but the Company's factory and office did not affect from flood due to its sufficiency prevention. The Company was able to produce and deliver its products to customers on time. Most of customers are overseas; the Company can carry products in container and directly send to sea port, the Company consequently did not confront any distribution problem. Thus, there was only a minor effect in the fourth quarter of 2011. In present, the Company has cautiously prepared itself for the uncontrollable disaster, for example, building fence around the Company and prepare drainers. Moreover, the Company has purchased an insurance cover for all risks including flood disaster.

Major Shareholders

Shareholding structure as of December 31, 2013 as follows:

Shareholders		No. of Shares	%
1. Mr.Sompol	Tanadumrongsak	100,572,000	34.09%
2. Miss Atchara	Tanadumrongsak	34,830,000	11.81%
3. Mr.Yanyongchai	Tanadumrongsak	21,692,000	7.35%
4. Mr.Apsit	Tanadumrongsak	21,692,000	7.35%
5. Mr.Somkit	Tanadumrongsak	21,692,000	7.35%
6. Mrs.Raweeewan	Mathong	10,846,000	3.68%
7. Mr.Por	Tanadumrongsak	10,846,000	3.68%
8. Miss Maleerat	Tanadumrongsak	9,860,000	3.34%
9. Mr. Veera	Vongchamcharoen	3,692,000	1.25%
10. Miss Patsuda	Wongves	2,146,600	0.73%
11. Mr.Sangchai	Tanadumrongsak	1,596,200	0.54%
12. Mr.Nopphon	Muangsi	1,466,000	0.50%
13. Others Shareholders		54,069,200	18.33%
Total		295,000,000	100.00%

Organization Chart



Board of Director, Management and Company Secretary

Name/Position	Age (Year)	Education	Work experience (within the past 5 years)			
			Period	Position	Company Name	Business Type
Mr.Por Tanadumrongsak President	86	-	1991-Present	President	Fortune Parts Industry Public Company Limited	Auto parts
			1994-Prsent	Director	Siam City Development Co., Ltd.	Real Estate
			1987-Present	Director	SCG (Thailand) Co., Ltd.	Cylinder valves,
Mr.Sangcharean Tanadumrongsak Vice President	58	Bachelor in Living Design, Chiyoda Institute of Technology, Japan Director Accreditation Program (DAP) # 19/2004	1991-Present	Vice President	Fortune Parts Industry Public Company Limited	Auto parts
			1994-Prsent	Director	Siam City Development Co., Ltd.	Real Estate
			1988-Present	Director	SCG Industry Co., Ltd.	Auto parts
			1987-Present	Director	SCG (Thailand) Co., Ltd.	Cylinder valves
			1979-Present	Director	Super Central Gas Co., Ltd.	Gas Installation
Mr.Sompol Tanadumrongsak Managing Director	48	B.B.A in Finance, Chulalongkorn University M.B.A. Houston University, U.S.A. Director Accreditation Program (DAP)# 93/2011	1993-Present	Managing Director	Fortune Parts Industry Public Company Limited	Auto parts
			1996-Present	Director	SCG (Thailand) Co., Ltd.	Cylinder valves
			1994-Present	Director	Siam City Development Co., Ltd	Real Estate
			1988-Present	Director	SCG Industry Co., Ltd	Auto parts
			1987-Present	Director	Super Central Gas Co., Ltd.	Gas Installation

Name/Position	Age (Year)	Education	Work experience (within the past 5 years)			
			Period	Position	Company Name	Business Type
Mrs.Raweewan Mathong Director	84	-	1991-Present	Director	Fortune Parts Industry Public Company Limited	Auto parts
			1994-Present	Director	Siam City Development Co., Ltd.	Real Estate
			1987-Present	Director	SCG (Thailand) Co., Ltd.	Cylinder valves
			1979-Present	Director	Super Central Gas Co., Ltd.	Gas Installation
Mr.Yanyongchai Tanadumrongsak Director	53	B.A. in Engineering, University of Illinois, USA Director Accreditation Program (DAP) # 19/2004	1991-Present	Director	Fortune Parts Industry Public Company Limited	Auto parts
			1996-Present	Director	SCG (Thailand) Co., Ltd.	Cylinder valves
			1994-Present	Director	Siam City Development Co., Ltd.	Real Estate
			1998-Present	Director	SCG Industry Co., Ltd.	Auto Parts
			1979-Present	Managing Director	Super Central Gas Co., Ltd.	Gas Installation
Mr.Somkit Tanadumrongsak Director	51	B B.A. in Engineering, University of New South Wales, Australia Master of Computer Engineering, Assumption University Director Accreditation Program (DAP) # 93/2011	1991-Present	Director	Fortune Parts Industry Public Company Limited	Auto Parts
			2008-Present	Director	K-Mart Service Co., Ltd.	Oil & Gas
			1996-Present	Director	SCG (Thailand) Co., Ltd.	Cylinder valves
			1994-Present	Director	Siam City Development Co., Ltd.	Real Estate
			1988-Present	Director	SCG Industry Co., Ltd.	Auto parts
			1979-Present	Director	Super Central Gas Co., Ltd.	Gas Installation

Name/Position	Age (Year)	Education	Work experience (within the past 5 years)			
			Period	Position	Company Name	Business Type
Phd.Naris Chaiyasoot Director/The Chairman of Audit Committee	59	Bachelor of Economics, Thammasat University	2012-Present	Director/The Chairman of Audit Committee	Fortune Parts Industry Public Company Limited	Auto Parts
		M.A. Economics, Thammasat University 1978	2011-Present	Chairman	Dhanarak Asset Development Co., Ltd.	
		Ph.D Economics, University of Hawaii 1983	1997-Present	President	National Economics Research Council East West Center and Hawaii Alumni Group of Thailand	
		Certificate in Population Studies, University of Hawaii	1994-Present	President	Thailand Special Olympics SME bank	
		Certificate, National Defense College 1994	2000-Present	Chairman		
		Certificate, Capital Market Academy 2007	2011-Present	Chairman		
		Certificate, King Prajadhipok's Institute 2010				

Name/Position	Age (Year)	Education	Work experience (within the past 5 years)			
			Period	Position	Company Name	Business Type
Mr.Anant Gatephitaya Director/Audit Committee	63	Bachelor in Administration, Chulalongkorn University	2004-Present	Director/Audit Committee	Fortune Parts Industry Public Company Limited	Auto Parts
		M.B.A (Management) Thammasat University	2008-Present	Audit Committee	Zeer Property Pcl.	Shoping Center
			2007-Present	Audit Committee	Hydrotek Pcl.	Construction
		M.B.A (Management) Chulalongkorn University	2004-Present	Audit Committee	C.M.Organizer Pcl.	Service
			2001-Present	Audit Committee	Supalai Public Company Limited	Real Estate
			2000-Present	President	The Billion Solution and Consult Co., Ltd.	Service
		Director Certification Program (DCP)# 17/2002 Director Accreditation Program (DAP) # 7/2004 Audit Committee Program (ACP) # 2/2004 Improving the Quality of Financial Reporting (QFR) # 1/2006				

Name/Position	Age (Year)	Education	Work experience (within the past 5 years)			
			Period	Position	Company Name	Business Type
Mr.Pumipat Sinacharoen Director/Audit Committee	44	Bachelor of Economics, Thammasat University M.B.A. The American Graduate School of International Management, U.S.A. Director Accreditation Program (DAP) # 36/2005 Company Secretary Program (CSP) # 27/2008	2005-Present	Director/Audit Committee	Fortune Parts Industry Public Company Limited	Auto parts
			2000-Present	CFO	Asian Property Co., Ltd	Real Estate
			2009-Present	Director	Asian Property Development Pcl.	Real Estate
			2009-Present	Director	Asian Property (Bangkok) Co., Ltd.	Real Estate
			2009-Present	Director	Thonglor Residence Co., Ltd.	Real Estate
			2009-Present	Director	The Value Property Development Co., Ltd.	Real Estate
			2009-Present	Director	The Signature Advisory Partners Co., Ltd.	Real Estate
			2007-Present	Director	AP (Sathorn) Co., Ltd.	Real Estate
			2007-Present	Director	Asian Property (Sukhumvit) Co., Ltd.	Real Estate
			2005-Present	Director	Bangkok Citi Smart Co., Ltd.	Real Estate
Mrs.Nussara Tanadumrongsak Deputy Managing Director	45	Bachelor of Arts, Songkhanakarin University M.B.A, Management, Eastern Asia University Director Accreditation Program DAP SEC/2013	1994-Present	Deputy Managing Director	Fortune Parts Industry Public Company Limited	Auto parts
Mr.sarayut Oyubuan Quality Manager	45	Bachelor in Law, Ramkhamhaeng University	1997-Present	Quality Manager	Fortune Parts Industry Public Company Limited	Auto parts
Mr.Kninpichy Sukserm Marketing Manager (Resignation on 1 August 2013)	42	Bachelor in Finance, Thammasart University M.B.A. Marketing, Ramkhamheang University	2011-Present	Marketing Manager	Fortune Parts Industry Public Company Limited	Auto parts
			2010-2011 2010	IR Sale Manager	T.M.C. Industry Pcl. L P N Plate Mill Pcl.	Press Machine Steel

Name/Position	Age (Year)	Education	Work experience (within the past 5 years)			
			Period	Position	Company Name	Business Type
Mr.Virithpol Muennara Human Resource Manager	51	Bachelor in Law, Ramkhamhaeng University	2011-Present	Human Resource Manager	Fortune Parts Industry Public Company Limited	Fortune Parts Industry Public Company Limited
			2011-2012	General Manager	Four Star (Thailand) Co., Ltd.	Four Star (Thailand) Co., Ltd.
Mr.Thongchai Wiwong Engineering Manager	39	Bachelor of Mechanical Engineering, Technology Mahanakorn University M.B.A, Management, Eastern Asia University	2001-Present	Engineering Manager	Fortune Parts Industry Public Company Limited	Auto parts
Mr.Sungvien Meethong Production Manager	47	Bachelor of Mechanical Engineering, Technology Mahanakorn University M.B.A, Management, Eastern Asia University	2008-Present	Production Manager	Fortune Parts Industry Public Company Limited	Auto parts
			2006-2008	Production Manager	Takahashi Co., Ltd.	Auto parts
Ms.Jaruwan Chatwichian Finance & Account Manager Company Secretary	46	B.B.A. in Account, Ramkhamheang University M.B.A in Finance/ International Business, Eastern Asia University Company Secretary Program (CSP) # 44/2012 Executive Minute Talking (EMT) # 22/2012 Operational Audit Program 1 # 42/2009	2003-Present	Finance & Account Manager Company Secretary	Fortune Parts Industry Public Company Limited	Auto parts

Organization Structure

The Company's management structure consists of the Board of Directors, the Audit Committee, the Executive Committee and the Nominating and Remuneration Committee. All members of the board and management of the company are qualified under Section 68 of the Companies Act, 1991 and the Notification of the Capital Market Committee and details of the management structure of the company is as follows:

1. Board of Directors

The Board of Directors as of December 31, 2013 comprises 9 members as follows:

Name			Position
1.	Mr. Por	Tanadumrongsak	Chairman of the Board
2.	Mr. Sangcharean	Tanadumrongsak	Vice Chairman
3.	Mr. Sompol	Tanadumrongsak	Director, Chairman of the Executive Committee and Managing Director
4.	Mr. Somkit	Tanadumrongsak	Director
5.	Mr. Yanyongchai	Tanadumrongsak	Director
6.	Mrs. Raweewan	Mathong	Director
7.	Mr. Naris Chaiyasoot (Ph.D)		Independent Director and Chairman of the Audit Committee
8.	Mr. Anant	Gatepithaya	Independent Director and Audit Committee
9.	Mr. Pumipat	Sinacharoen	Independent Director and Audit Committee

Miss Jaruwat Chatwichian is the Board's Secretary and Company Secretary, Board of Director No. 5/2011 dated 22 July 2011.

The Board of Directors is well aware of good corporate governance and has observed Section 89/15 of the Securities and Exchange Act (No. 4) B.E. 2551(2008), which requires that the board of directors of a company appoint the company secretary to be responsible for the preparation and maintenance of documents, reports on interest which has been reported by the directors or executives, and other operations as announced by the Capital Supervision Committee as well as carrying out coordination work, organizing the meetings of the board of directors, the meetings of shareholders and ensuring that the directors and the Company comply with the laws and related regulations.

Authorized Directors

Authorized signatories are Mr. Sompol Tanadumrongsak, signing together with Mr. Sangcharean Tanadumrongsak or Mr. Yanyongchai Tanadumrongsak or Mr. Somkit Tanadumrongsak with affixing the Company's seal.

Scope of Authority of the Board of Directors

1. Supervise and manage the Company's business operations according to the laws, objectives and articles of association of the Company as well as the resolutions of the shareholders' meeting, and maintain the interest of the Company according to the business good governance principles.
2. Organize the annual ordinary general meeting of shareholders within 4 months from the closing date of the accounting year of the Company, and organize the extraordinary meeting of shareholders when necessary.
3. Organize the meeting of the Board of Directors every quarter.
4. Arrange for accounting system, financial and auditing reports and ensure that there are efficient and effective internal control and audit systems.

5. Arrange for a preparation of balance sheet and profit and loss statement as at the ending date of the accounting year of the Company to be presented to the annual ordinary meeting of shareholders for approval whereby the Board of Directors must arrange for an audit by the auditor before presenting to such meeting of shareholders.

6. Supervise and manage the Company's business operations according to the laws, objectives and articles of association of the Company as well as the resolutions of the shareholders' meeting, and maintain the interest of the Company according to the business good governance principles.

Set up visions, directions and strategy; and supervise the operations of the Company to be in compliance with the regulations of the agencies concerned, be responsible and maintain the interest of the shareholders as well as disclosing sufficient, correct, complete, standardized and transparent information to the shareholders and all parties concerned. Grant approval to important strategies and policies including the objectives, financial goals and plans of the Company; monitor and supervise to ensure that the plan is implemented.

7. Consider and approve the annual budget for investment and business operations as well as supervising the use of the Company's resources.

8. Grant approval to important strategies and policies including the objectives, financial goals and plans of the Company; monitor and supervise to ensure that the plan is implemented.

9. Evaluate the work of the Executive Committee and determine the remuneration according to the operational results.

10. Authorize the Chief Executive Officer to have the power to carry out the business operations of the Company as well as the power to appoint and remove the employees of the Company and determine the remuneration for working according to the policies of the Board of Directors; and authorize the employees with the operational powers in accordance with the business condition.

2. Audit Committee

The Audit Committee as of December 31, 2013 comprises 3 members as follow :

	Name	Position
1.	Mr. Naris Chaiyasoot (Ph,D)	Chairman of the Audit Committee
2.	Mr. Anant Gatepithaya*	Audit Committee
3.	Mr. Pumipat Sinacharoen*	Audit Committee

Remark : *Members of audit committee who have knowledge and experience to verify reliability of the financial statements and Ms. Wanvimol Jongsureyapas is the secretary of the Audit Committee.

Duties and Responsibilities

1. To review the accuracy and sufficiency of the financial reports of the Company.
2. To review the Company to ensure that the internal control and internal audit systems are suitable, and effective, and to review the independence of internal audit section, including approving the appointment, transference, or termination of internal audit section supervisor (heads) or those of other workgroups responsible for internal audit.
3. To review the Company to ensure that its operation is in accordance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
4. To consider, propose, and appoint independent persons who shall be assigned as the Company's auditor, to propose auditor's remuneration, and to participate in a meeting with the auditors at least once a year without management team.
5. To review connected transactions or any other transaction that may cause potential conflicts of interest in accordance with SET laws and SET regulations in order to ensure that those items are reasonable and of utmost benefits to the Company.

6. To publicize the audit committee report signed by the chairman of the audit committee in the Company's annual report; the report should include the following details.
 - (a) Opinions on accuracy, completeness and credibility of the Company's financial reports;
 - (b) Opinions on sufficiency of the company's internal control system;
 - (c) Opinions on the Company's compliance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
 - (d) Opinions on suitability of auditors of the Company;
 - (e) Opinions on transactions of possible conflicts of interest
 - (f) The number of audit committee's meetings, and attendance of each audit committee member;
 - (g) Opinions or observation by the audit committee during their auditing practice according to charter;
 - (h) Other transactions that shareholders and public investors should be informed under the scope of work and responsibilities assigned by the Company's board of directors.
7. To take care of any other action assigned by the board of directors with the consent of audit committee.

3 Executive Committee

Referred to The Company's Board of Director No. 6/2012 on 20 March 2012 was appointment of executive committee comprises 8 members as follows:

	Name	Position
1.	Mr.Sompol Tadadumrongsak	Chairman of Executive Committee
2.	Mrs.Nussara Tanadumrongsak	Vice Chairman of Executive Committee
3.	Mr.Virithpol Muennara	Executive Committee
4.	Mr.Sungvien Meethong	Executive Committee
5.	Mr.Kninpichy Sukserm	Executive Committee (Resignation:1 August 2013)
6.	Mr.Saryuht Ouybuan	Executive Committee
7.	Mr.Thongchai Wiwong	Executive Committee
8.	Ms.Jaruwan Chatwichian	Executive Committee

4 Company Secretary

The Company has appointed Ms.Jaruwan Chatwichian, who has proper qualifications and experience, as the Company Secretary. The main duties and responsibilities of the Company Secretary are as follows.

1. Give basic advice to Directors in respect of laws, orders and regulations of the Company of which the Board of Directors needs to know, as well as to ensure proper and consistent compliance. Report any significant change in matter of laws to Directors.
2. Organize the shareholders' meeting and Board meeting in accordance with the laws, articles of association and proper practice.
3. Take the minutes of shareholders' meeting and Board meeting, as well as to ensure compliance with the resolutions of the shareholders' meeting and Board meeting.
4. Prepare and keep the register of Directors, annual reports, letters of invitation for shareholders' meeting, letters of invitation for Board meeting, minutes of the shareholders' meeting and minutes of the Board meeting.
5. Keep the reports of interests filed reported by directors or executives and make submission as required by laws.

6. Ensure that there is the disclosure of information under responsibility to the regulatory agencies according to the regulations and requirements of government agencies.
7. Contact and communicate with general shareholders to keep them informed of various shareholders' rights and Company's news.
8. Take care of the activities of the Board.

5 Management

The Management of December 31, 2013 comprises 8 members as follow :

	Name		Position
1.	Mr.Sompol	Tanadumrongsak	Managing Director
2.	Mrs.Tanadumrongsak		Dupty Managing Director
3.	Mr.Virithpol	Muennara	Human Resource Manager
4.	Mr.Sungvien	Meethong	Production Manager
5.	Mr.Kninpichy	Sukserm	Marketing Manager (Resignation on 1 August 2013
6.	Mr.Sarayut	Ouybuan	Quality Manager
7.	Mr.Thongchai	Wiwong	Engineering Manager
8.	Ms.Jaruwan	Chatwichian	Finance and Account Manager

6. Normination and Remuneration Committee

Normination and Remuneration Committee consists of 4 Directors, 3 of whom are Independent Directors, serving a three-year term. Its Chairman is an Independent Director assigned with the examination of remuneration criteria and guidelines for the CEO and for Directors. It determines nomination regulations and procedures in a transparent manner. The criteria and patterns of compensation for the CEO and for Directors are also under its consideration with transparency and sensibility in comparison with similar positions in other companies of the same industry.

The Committee consist of 4 Directors as follow :

1. Mr.Naris	Chaiyasoot	The Chairman of Narmination and Remuneration
2. Mr.Anant	Gatephitaya	Narmination and Remuneration Committee
3. Mr.Pumipat	Sinacharoen	Narmination and Remuneration Committee
4. Mr.Sompol	Tanadumrongsak	Secretary of Narmination and Remuneration Committee

Normination and Remuneration Committee Charter

1. Objectives

The Board of Directors has deemed it appropriate to prescribe a Nomination and Remuneration Committee Charter in order to compile details relating to composition, duties, responsibilities and practical guidelines for the discharge of duties as assigned by the Board of Directors. This allows the Nomination and Remuneration Committee to fairly, appropriately and transparently act in accordance with the good corporate governance in order to create confidence and credibility of the Company in stakeholders.

2. Composition and Qualifications of Normination and Remuneration Committee

2.1 The Nomination and Remuneration Committee is comprised of at least three Directors and at least one of them must be an Independent Director. The Chairman of the Nomination and Remuneration Committee should be an Independent Director.

2.2 The Nomination and Remuneration Committee has appointment from the Board of Director or the Annual Genneral Meeting of Shareholder to approve the Normination and Remuneration Committee.

2.3 No other characteristics that make it impossible to comment freely about the format and rules for the remuneration of directors and executives.

2.4 The Nomination and Remuneration Committee serves a term of three years. A Nomination and Remuneration Committee Member completing a term may be reappointed by the Board of Directors.

2.5 In the case where a Nomination and Remuneration Committee Member position becomes vacant for a reason other than completion of a term under 2.2 (e.g. expiry from Directorial position, resignation or removal), the Board of Directors may appoint another person with fitting qualifications to maintain the required number of Nomination and Remuneration Committee Members as per this Charter. The replacement member will serve only the remaining term of the Nomination and Remuneration Committee Member whom he / she replaces.

3. Scope of Duties

3.1 Select individuals worthy of nomination as new Directors or Chief Executive Officer using structured and transparent screening and nomination criteria for subsequent nomination to the Board of Directors and /or the Annual General Meeting for their approval.

3.2 Determine remuneration for Directors and Chief Executive Officer by prescribing fair and reasonable criteria or procedures and proposing them to the Board of Directors and/or the Annual General Meeting for their approval.

3.3 Engage in any other duty as assigned by the Board of Directors.

4. Responsibilities

The Nomination and Remuneration Committee is responsible directly to the Board of Directors in accordance with the duties and responsibilities assigned to them. Additionally, the Nomination and Remuneration Committee is responsible to third parties for the operation of the Company as well.

5. Meeting

5.1 The Nomination and Remuneration Committee should meet at least 2 a year. Members of the management, Executives or relevant Employees of the Company or the auditor may be invited to participate in the meetings in order to opine, submit documents or information deemed relevant or necessary.

5.2 For all meetings of the Nomination and Remuneration Committee, the quorum will be met with the presence of at least two-thirds of all Nomination and Remuneration Committee Members in position at that time.

5.3 Nomination and Remuneration Committee Members with connected transaction in any matter being reviewed must be excluded from the voting on that matter, with the exception of the determination of remuneration for the Board of Directors.

5.4 Resolution is passed by means of majority votes where one Nomination and Remuneration Committee Member has one vote. The secretary to the Nomination and Remuneration Committee does not have the right to vote. In the case of a tie, the Chairman of the Nomination and Remuneration Committee is to cast an additional deciding vote.

6. Reporting

The Nomination and Remuneration Committee must report the outcome of their operation to the Board of Directors and publish a Nomination and Remuneration Committee report, signed by the Chairman of the Nomination and Remuneration Committee in the annual report of the Company.

7. Performance Evaluation

The Nomination and Remuneration Committee must evaluate their performance and submit the findings of their annual evaluation to the Board of Directors.

The Shareholders of the Company and the spouse

Name		Year 2011	Year 2012	Year 2013	+/-
1.	Mr. Sompol Tanadumrongsak	100,572,000	100,572,000	100,572,000	no changed
2.	Mr. Somkit Tanadumrongsak	21,692,000	21,692,000	21,692,000	no changed
3.	Mr. Yanyongchai Tanadumrongsak	21,692,000	21,692,000	21,692,000	no changed
4.	Mr. Por Tanadumrongsak	10,846,000	10,846,000	10,846,000	no changed
5.	Mrs. Raweewan Mathong	10,846,000	10,846,000	10,846,000	no changed
6.	Mr. Sangcharean Tanadumrongsak	-	-	-	no changed
7.	Mr. Naris Chaiyasoot (Ph,D)	-	-	-	no changed
8.	Mr. Anant Gatepithaya	-	-	-	no changed
9.	Mr. Pumipat Sinacharoen	-	-	-	no changed
10.	Mrs.Nussara Tanadumrongsak (spouse)	-	100,000	155,700	+55,700

Interests of the directors, either directly or indirectly in any contract during the year 2013.

-None-

Directors Compensation

The company has clearly specified compensation for 9 directors in remuneration and allowances total of 2,800,000 Baht in 2013 and 1,810,000 Baht in 2012, and 1,260,000 Baht in 2011 as details belows:

Unit : Baht

Name		Year 2011	Year 2012	Year 2013	Meeting (Times)
1. Mr. Por	Tanadumrongsak	140,000	195,000	230,000	6/6
2. Mr.Sangcharean	Tanadumrongsak	140,000	195,000	225,000	5/6
3. Mr.Sompol	Tanadumrongsak		195,000	230,000	6/6
4. Mr. Somkit	Tanadumrongsak	140,000	190,000	230,000	6/6
5. Mr. Yanyongchai	Tanadumrongsak	140,000	195,000	225,000	5/6
6. Mrs. Raweewan	Mathong	140,000	195,000	230,000	6/6
7. Mr. Apisit	Rujikeatkamjorn	140,000	215,000	-	6/6
8. Mr. Naris	Chaiyasoot (Ph,D)		-	530,000	10/10
9. Mr. Anant	Gatepithaya	140,000	215,000	450,000	10/10
10. Mr. Pumipat	Sinacharoen	140,000	215,000	450,000	10/10
Total		1,260,000	1,810,000	2,800,000	

According to the 2556 Annual General Meeting of Shareholders held on April 2, 2013 passed a resolution that the Remuneration the year 2013 are as follows.

- the remuneration paid for chairman of the audit committee was Baht 240,000 per annum
- The Chairman of the board, each director, each audit committee was Baht 200,000 per annum
- Meeting fee paid for each director was Baht 5,000 per a meeting. If any Board of Directors Meeting or Audit Committee Meetings need to be held more than once a month, the meeting fee will be paid only once.
- The Special Bonus of Audit Committee for the year 2013 will be paid based upon the business performance of the Company ended December 31, 2013 which not exceeding Baht 640,000. The Company will propose to make such payment in the year 2014 upon obtaining an approval of the Annual General Meeting of Shareholders for the year 2014.
- The Company held Board of Directors Meetings 6 times.
- Audit Committee Meetings 4 times.
- Nominating and Remuneration Committee Meeting 2 times.
- The Company has no other fee paid to the committee.

Management Compensation

Company's executive management compensation are clearly defined and appropriate. Remuneration is at the appropriate level sufficient to retain qualified executives, considered by the Board of Directors. The details are as follows.

Type of remuneration	Year 2011		Year 2012		Year 2013	
	No.member	Amount	No.member	Amount	No.member	Amount
Salary	7	8,250,547	8	13,246,316	8	15,628,687
Bonus	7	2,010,212	8	2,736,608	8	2,980,043
Other Compensation						
- Providend Fund						
- Social Security						
- Employee Benefit						
Surverance	7	2,106,354	8	606,768	8	-462,089
Total	7	12,367,113	8	16,589,692	8	18,146,641

Note : Miss Maleerat Tanadumrongsak leave from the Deputy Managing Director on June 30, 2011 and Mr. Kninpichy Sukserm joined the company at December 13, 2011 and resignation on 1 August 2013.
Mr.Virithphol Muannara joined the company at March 5,2012.

Corporate Governance

The company mention in Good corporate governance which is an essential character of listed companies. It means that the company has efficient, transparent, and able to be audited management systems that create trust and confidence amongst its shareholders, investors, other stakeholders and all relevant parties. Good corporate governance is a means to add a firm's value and to ensure maximum profit to shareholders, investors and all relevant parties. FPI's corporate governance initiatives are based on 5 components:

I The Rights of Shareholders

Shareholders are the owners of the company. They control the company by appointing the board of directors to act as their representatives. Shareholders are eligible to make decisions on any of significant corporate changes.

Apart from aforementioned basic rights, the Company also encourage and facilitate the shareholders to exercise their right by:

1. In accordance to rules and regulation of SEC and SET, meeting agenda and additional information on business performance must be informed to shareholders 7 days prior to meeting date.
2. In case shareholders are not able to attend the meeting, they may appoint proxies to vote for their shares by signing in the letter of authorization attached to meeting invitation.
3. During the meeting, shareholders can comment, suggest and make inquiries to the Board and Committee to ensure that the shareholders have been given substantial information prior to making an approval on any issue. And the shareholders are welcome to ask for information and details
4. The company has to make an completely minutes of meeting with accuracy and shall be filled properly for further review or investigation by shareholders.

II The Equitable Treatment of Shareholders

All shareholders, including those with management positions, non-executive shareholders and foreign shareholders should be treated in an equal way. Minority shareholders whose rights have been violated should be redressed. The company plans to increase alternatives to shareholders who cannot attend the meeting. By appoint an independent director or other person to attend and vote on behalf of shareholders. Include the opportunity for shareholders to nominate directors to advance in a reasonable time.

The meeting will be conducted in accordance with the regulations of the company. The agenda of the meeting will be fully detailed in the agenda and show consideration explicitly. It will not add to the agenda without notice to shareholders. Particular, the important agenda which has to use much more information before making a decision.

Board of Director has imposed measurements to prevent insider trading from relevant parties including Board and Committee, executives, officers and staff members of the company (covering the spouse and minor of the aforesaid persons). The punishment for disclosure of company's confidential information or misuse of such information for personal interest has been imposed in accordance with the policy to prevent inside trading. It is made clear to Board of Director and executives that they must periodically report their holdings to SEC abided by Article 39 of Securities and Exchange Act, 1992. The announcement and regulation from SEC and SET will be disseminated to Board and Committee and executives regularly.

III The Role of Stakeholders

The company is aware of the rights of all stakeholders, neither internal stakeholders namely shareholders, executives and employees working for the company, nor external stakeholders which are business competitors, business partners and customers. The company realizes that cooperation, openness to comments and good relationship with all stakeholders are essential to operate business as well as to develop and further expand business. All stakeholders will be treated equally and fairly. Guidelines for dealing with all groups of stakeholders are as follows:

- **Employees :** The company recognizes that all employees are one of the most valuable resources to develop the organization to grow further. Thus the company always supports all staffs to enhance their potential and work as a team as well as to create pleasant and safe working environment for employees. All employees are treated equally and fairly accompanied by appropriate remuneration.
- **Supplier :** The Company has complied with all the partners and creditors Supplier Financial exploitation is fairly equal. Accordance with the terms of trade and terms of the contract made with strictly. To develop the business relationships that benefits both parties.
- **Customer:** The company is responsible for the care and product quality standards and meet customer needs completely. Confidentiality of clients is also important to determine the appropriate selling price for our customers equally with fair trade and honesty.
- **Competitors :** We are committed to fair competition under the business law avoid corruption and avoid destroy competitors.
- **Society :** we are concerned of the environment of the community in vicinity of the company. The company focus in awareness, social responsibility to the community and the company continuously. Including activities that cause the majority and not action illegal material.

IV Disclosure and Transparency

The company is obliged to make full disclosure of accurate and transparent information concerning business performance such as financial statement and other related documents in accordance with the regulations from SEC and SET. Other information that would affect company's stock values or may impact the decision of investor and stakeholders should also be disclosed. Full information is disclosed to public through a variety of media under the operation of SEC and SET or in company's website at <http://www.fpiautoparts.co.th>.

Investor relations section of the Company has not established a specific event such as a few activities in the past. The company was assigned to the Managing Director in IR functions to contacts and serve information to shareholders, analysts and agencies involved. The information must be accurate and complete, real and thorough.

V Responsibilities of the Board of Directors

1. Structure of Board of Director

Board of Director consists of qualified members who gain expertise, skills and wide range of experiences on business and management. Board of Director is responsible to set overall business direction and strategic goal, supervise business performance quarterly, and monitor internal control and internal audit system to ensure the utmost benefits to the company and shareholders. As of December 31, 2012, there are 9 members of Board of Director consisting of 3 non-executive directors abided by the guideline that there should be at least 1 out of 3 independent directors from total members in Board of Director. This is to ensure balance of power to resolve on business and management issue as well as to monitor the performance of the executives. Board of Director appointed 2 subcommittees which are Audit Committee and Executive Board to direct business strategy and monitor business performance. The roles and responsibilities of Board of Director, Audit Committee and Executive Board have been clearly defined and each entity is independent to make decision and express their initiatives and vision.

In addition, the person holding the position of Chairman of Board of Director cannot hold the position of Managing Director in order to prevent unlimited power of each individual. Board of Director is authorized to screen and elect the candidate to fill in these positions. Secretary to Board of Director is responsible to inform and advice Board of Director on the rules and regulation to be abided, facilitate the work of Board of Director as well as follow up the progress on the issue assigned by Board of Director.

2. Role and Responsibilities of the Board

FPI recognizes and respects the rights of shareholders, thereby introducing a structure to ensure that shareholders will be facilitated to fully exercise their basic rights in acceptable and reliable ways and standards Directors have to implementation Code of Best Practices of the Stock Exchange of Thailand by to understand and know their roles and responsibilities. Directors must act in accordance with the laws and regulations of the company and the resolution of the shareholders' meeting with honesty. The Board of Directors as policy maker, set the business goals, business plans and budgets of the company. And manage the implementation of policies, plans and budgets to meet specified efficiency and effectiveness for the benefit of the Company and its Shareholders.

Conflict of Interest

The Audit Committee will submit the details on related transactions that may cause conflicts of interest to the Board of Directors to find out appropriate solution discreetly. Our business practice are strictly complied with the rules and regulations mandated by SET to treat the parties that may cause conflicts of interest comply with the disclosure requirements for related-party transactions and the acquisition or disposition of assets of the company. Including compliance with accounting standards and regulations set by the Institute of Certified Accountants.

Internal Control and Internal Audit

Internal control is an essential tool to monitor business practices both in management level and operation level. To enhance efficiency on business operation, the scope of responsibilities and operating authority of management and operation staffs are clearly defined in written statement. The utilization of company's asset will be monitor to ensure the use for utmost benefits of the company. Divide responsibilities in the approval to record information and storage assets apart. To achieve a balance between operating and internal audit properly. There are also controls on the financial by providing a system of financial reporting to Managing Director in charge, even if the company does not have internal audit of the company, but the company has hired an internal auditor independence, external validation of internal control systems of the company. They report directly to the audit committee.

3. Boards of Director Meeting

Meeting of the Boards of Director are held regularly at least by every quarter. Addition meetings may be called depending in advance. For every meeting, Secretary to the Board of Director is assigned to prepare meeting agenda and send a notice letter to the Board of Director at least 7 days prior to the meeting to provide adequate time to review the documents. The secretary also assigned to prepare Minute od meeting endorsed by Board of Director and file properly and can be retrieved for further reference required by Board of Director and other related parties.

4. Remuneration of Board and Committee

The company control the remuneration of directors and committee as appropriate and sufficient for the directors and committee to maintain quality without paying excessive compensation. And at a level that is comparable companies in the same industry. Factors to be considered include experience, duties and responsibilities. The remuneration of directors must be approved by the shareholders. The remuneration of the executive committee is based on the principles policies set by the Board, which will be based on the duties and responsibilities, performance of each executive and the results of company's operations.

5. Directors and Executives Committee Development

Board of Directors has policy to promote and facilitate the training and educating to people who involved in the governance of the company, including Board of Director, Board of Auditor, Executive Committee and the Company secretary. To improve performance continuously follows the courses of Thai Institute of Directors Association: IOD.

6. The Anti-Corruption Policy

The Company has Operating Guidelines in accordance with the Anti-Corruption Policy as the following :

1. The directors, management and employees of the Company and its business lines are prohibited from performing, accepting or supporting corruption in any form, whether directly or indirectly. This shall be applicable to all companies in the consumer products business line, including all related contractors and sub-contractors. Regular reviews on compliance with the anti-corruption policy shall be made, as well as reviews on implementation to ensure compliance with the policy, practices, regulations, rules, notifications, laws and business changes.
2. The anti-corruption standard is part of business operation and it is the duty and responsibility of the Company's board of directors, management, supervisors, employees at all levels and suppliers or sub-contractors to express their opinion regarding the practice on the implementation of the anti-corruption actions to ensure achievement of compliance with the policy set.
3. The Company formulated its anti-corruption measures in accordance with related laws, including the principles of moral. Risk assessment was conducted on activities that are related or at risk for corruption and the results were used in preparing the operating guidelines for all related parties.
4. The Company does not offer or support bribery in any form in all activities under its supervision, including supervision of charitable contributions, political contributions, and the offer of gifts in business transactions, and supports various activities with transparency and without the intention of convincing officials of the government or private sector to undertake inappropriate actions.
5. The Company has appropriate internal control with regular reviews in order to prevent improper practices by employees, especially in sales, marketing and procurement.
6. The Company provides knowledge on anti-corruption to its directors, management and employees to promote integrity, honesty and sense of responsibility in fulfilling their duties, and to show the Company's commitment.
7. The Company has in place mechanisms for transparent and accurate financial reporting.
8. The Company has provided a variety of communication channels for employees and stakeholders to raise concerns and report suspicious circumstances with confidence of being protected from punishment, unfair transfer or harassment in any way, as well as appoint person(s) to investigate and monitor the complaints.

7. Succession Plan

The Company has prepared a systematic succession plan to replace retirees of key positions or to fill new vacancies resulting from business expansion or the remodeling of the Company's structure. A succession plan is also in place for top management positions to ensure management continuity and facilitate the appointment of personnel whose potential and readiness are suitable for such important roles. The procedures will allow those newly appointed to grow with the organization and enable FPI to achieve its future strategic goals in a smooth and effective manner.

8. Orientation for New Directors

The Company is well aware of the importance of duty performing of new directors, it has, therefore, defined guideline regarding preparation for duty performing of directors to enable new directors to know the Company's expectations of their roles, duties, responsibilities, policies, businesses and corporate governance practice. These include to enable them understand about the Company's business and operation, as well as to visit its business units for being prepared to perform the duty of director promptly. The Company Secretary will be the coordinator in various areas as follows:

1) Coordinate in providing of the Company's data in legal area and others such as articles of association, Company's objectives, organizational structure, Code of Conduct of the Board of Directors, etc.

2) Arrange meetings with the Chairman, Board of Directors, committees and executives to make them informed of the Company's business operation for using as their principles in performing duty. The presentation is made as a whole picture and in details under the following topics:

- The Company's vision and goals
- Management structure
- Operating data and Company's activities
- Roles, duties and responsibilities of directors
- Good corporate governance policy
- Summary profiles of other directors and executives
- Qualifications and remuneration of directors

9. Risk Assessment

The Board appointed the Risk Management Committee to determine the policy for enterprise-wide risk management, to provide a risk management system and/or process to minimize impact on the Company's business and/or reduce the possibility of actual risks occurring. The Committee is tasked to make suggestions on the risk management framework and guidelines that support the Company in achieving its business goals both in the short and long term.

10. Corporate Social Responsibility Report



Social Responsibility Policy Over time, the company has established its business by striving mission coupled with awareness and sense of social responsibility and the environment along the path of growth By using innovative and high technology. To achieve maximum efficiency and environmentally friendly focus attention every step of production, from the sourcing of raw materials, energy management for production process, air pollution control, water recycle and research and innovation Environmentally friendly products As well as considering the consumers and stakeholders is critical research and innovation Environmentally friendly products As well as considering the consumers and stakeholders is critical As a leading manufacturer of plastic automotive parts that are environmentally friendly and add value in our products, resulting in the best interests of the stakeholders, literally. Implementation of the strategy we FPICOAS follows.

The company serves the social and environmental responsibility from the start of business until the present

The implementation of corporate social responsibility and the environment

The company serves the social and environmental responsibility from the start of business until the present as follow:

(1) Investment, production lines, chrome plated automatic (Automatic) No. 1 line and the R & D, mold manufacturing, importing forming machine molds CNC (Computer Numerical Control) and EDM (Electrical Discharged Machine) from foreign countries. forming a mold that has such a bunper.

(2) The company has developed the production of chrome plating, Improvement chrome plating technology and solution of UEMURA (Japan) and ATOTECH (German) to raise the quality of REM to the production line OEM by a chrome plated and Trivalent Chrome (Cr^{3+}), which uses chemical degradation. easily than natural, Hexavalent Chrome (Cr^{6+}) make production more environmentally friendly by building awareness and is considered a primary responsibility to comply with all the normal operation.

(3) GIZ participating To produce auto parts green and award winning projects throughout until crumbly LRP Automotive Institute.

(4) The Company has the standard as ISO14001, OHSAS 1800, ISO/TS 16949 By building awareness and is considered a primary responsibility to comply with all the normal operation.

Invented a product that is environmentally friendly commitment of our philosophy. Through a mechanism that is clean in every step to better quality of life

(5) Browse dedication and commitment to the further development of the manufacturing process has both direct and indirect effects that cause or prevent what was going to happen which affect the environment both inside and outside as well as the effects on. stakeholders in order to fully capacity.

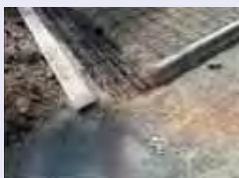
(6) Invented a product that is environmentally friendly commitment of our philosophy. Through a mechanism that is clean in every step to better quality of life.

Guidelines for the implementation of social responsibility and environmental protection.

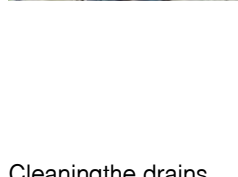
(1) **Workplace** Started from within the organization by providing implementation, training , motivating and instilling knowledge construction personnel managers and supervisors throughout the organization to have knowledge about CSR and awareness of the community together in a social and support and responsibility. stakeholders, as well as social responsibility and the environment combine to create a sense of responsibility to do all the steps in the production of goods that have an impact on the environment and stakeholders at all levels.



(2) **COMMUNITY** The expansion of social responsibility and environmental stakeholders outside to the surrounding community continues. To promote the cause of good relations between organization in coexistence with the surrounding community to have a better living for the foundation of coexistence in order to develop and build intimacy.



Road Improvement



Cleaning the drains

(3) ENVIRONMENT In addition to the focus on supervision and management of environmental action to be balanced with the Company starting from the origin to the destination process within the organization and a leader in manufacturing products that do not affect the consumer continues to innovate and develop products that are environmentally friendly and are continuing to reduce resource use and maximize the benefits to reduce global warming and its effects in all dimension to the environment To create value and benefit to the consumer as well as stakeholders at all levels

(4) MARKETPLACE Integrated CSR to FPI Way

The strengths and expertise to achieve sustainable social integration of stakeholder management and sustainable applications across the enterprise to create value in their products together to create a race to strengthen. external Until it is accepted by more than 119 customers. Countries in our products.

Business practices that are environment friendly

Throughout the period , the company has developed products . By international standards , which are recognized worldwide for the quality control of the product , whether it is certified ISO 9002, ISO 14001 and OHSAS 18001 , which deals with the optimization for production. Environmental monitoring And safety in general practice . Including the certification of QS 9000 and ISO / TS 16949 , which is the standard used in the control of the management of production . Related to automotive components in particular.

Awareness and concern for global environmental issues and climate change around the world

Many countries in the world Even in Thailand Are faced with the problem of climate change caused by severe and continuous and ever-increasing frequency and violence occurs across all regions of the world. International community to focus on cooperation in this matter. Aware of the consequences will ensue, both present and future. It is why the climate is changing and the landscape is considered a natural disaster occurs, people can not avoid or prevent it, such as earthquakes, floods, storms caused greenhouse new earth.

The idea that If society has a problem Business success is not, Fortune Parts Industry Public Company Limited well aware of the role and importance as the sectors with the industry to reduce the effects caused by the manufacturing process. Has prepared plans and measures to prevent and control environmental problems and changing landscape and climate as the cause. By initiatives and development projects to meet the developmental mechanisms that produce environmentally friendly. Commitment to the principles of management of natural resources is still standing. To maximize the benefits stop. Starting from the initial injection plated and will continue to develop cotton production within the plant. And determined action from origin to destination. To get a product that is environmentally friendly. Impact on the environment and from within the organization. To local, national and global communities by initiating and developing innovative solutions for the production of efficient and environmentally friendly as possible.

- **Resource Management**

I have been sorting and selecting the best. Better protection Fortune Parts Industry Public Company Limited focuses on the prevention of pollution from the manufacturing process to protect the source.

- Raw Material

1. Selection
2. Reduce or used sparingly



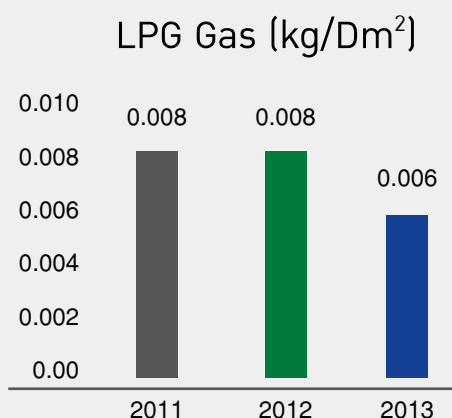
- The plating process uses chemicals that are environmentally friendly Trivalent Chrome (Cr^{3+}), which is a chemical that is easily digested. And safe to use .

- The air quality



Removal action, such as air pollution Nitrous oxide, chromium The Trust by the process by which the principles Wet Scrubber installation mass transfer between air and liquid. Waste air treatment is a fresh air will be sucked in and blown away by the exhaust fan. How it will help control the air before being released to the public.

- Energy used in the manufacturing process



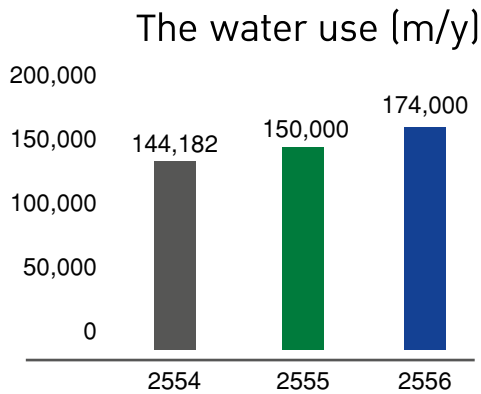
Improvement and development to increase efficiency in the use of LPG gas target to reduce energy loss from leakage of steam arising from the use of LPG GAS excessive steam production and maintenance plans. Inspection and modification of machinery and equipment regularly. If found to have predicted that point. Likely leakage need to change the device immediately.



- **The water use**

1. **Use of water and recycled valuable new benefit**

In the plating process, which requires the water to wash the part and is a mixture of chemicals, including those used in Boiler We can be emitted to the specimen is washed again. Recycle through the process, which is designed to supply water to the wash and spin the work piece.



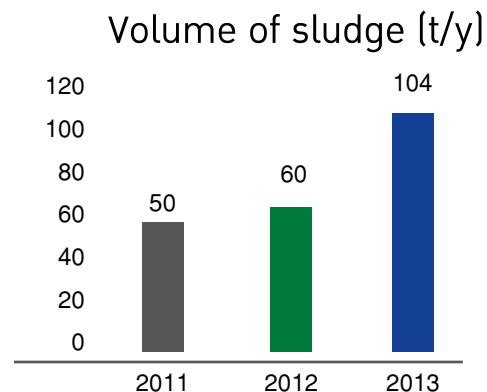
2. **Separation of wastewater before sending it to treatment**

In order to be effective in the treatment of the plating process has been correctly classify water by acidity - alkalinity. By doing a separate pipe for the wastewater treatment system appropriate to the characteristics of each sewage.

3. **Installation and development of wastewater treatment system to meet the highest standards**

The wastewater treatment system is a safe and effective standard therapy is high. By chemical precipitation tank. Tanks and adjust the pH to accelerate sediment heavy metals in sediments's Hydroxide and create a large and harmless to the user.

4. **Waste Management**



FPI have enlisted the management and control of the waste from the production process to a minimum.

1. Prepared record from waste (Solid Waste), send eliminate appropriately and properly. Agencies, including the supplying of waste can be utilized to extract heavy metals such as Copper, Nickel released from the waste to help reduce environmental impact.
2. Reducing the amount of waste. Using resource efficiency and a minimum of process control and maintenance of the equipment to be efficient and always active.
3. Avoid the toxic waste on the environment, such as using environmentally friendly chemicals, Trivalent Chrome (Cr^{3+}) Hexavalent Chrome (Cr^{6+})

4. Bring the water to wash the cause sludge volume. Reused called Drag out Etching Recycle, made by boiling water to wash specimen Etching pond evaporation and concentration of chromic acid. To fill back into the line.
 5. Selection chemical packaging (chemical) to fill to minimize waste. (Night of the tank to the vendor).
 6. Selection chemical returnable packaging. Or product expiration date back to the manufacturer to be repackaged. Or rehabilitation again
 7. Repair tool, material, or adapted for reuse as possible.
- **Prevention Surveillance and control the environmental impact**

FPI, focusing on the design and production with modern technology and the most effective prevention and surveillance and control activities in all the steps there. And that is the environmental impact assessment, monitoring and evaluation. Including a review of the international standard ISO14001



1. Air
 2. Water
 3. Chemical (Leakage/waste/removal/storage...)
 4. Material/
 5. Evaporation
 6. Reduce loss
- **Energy use**
- FPI has followed the development of the economy and reduce engine power to control the continuously affect further change the world in the production process , for example. Change SERVO motor injection mold-ing machine motors because the main force in making plastic injection work. By turning the motor power of the induction motor is a servo motor working principle is as follows
- Induction motor, motor always running , even when the machine stops working, which during that time and it also takes energy. Calculation , about 40 % of the total energy use of the machines. (Depending on the hours of operation of the machines) , thus switching to a motor, servo motor working principle of servo motor is run the command on the command . Motor does not rotate , unlike induction motor , which works well, which can reduce the energy consumption by up to about 40 % of the original energy . Temperature and reduce pollution , including noise pollution affecting practitioners. By replacing the machines with large motors. This changed in April 2556 and conducted tests about 6 months as a 2600 tonnes 1800/1 ton and now are transitioning SERVO motor is an additional 2 to 1800/2 tons and 1380 tons.

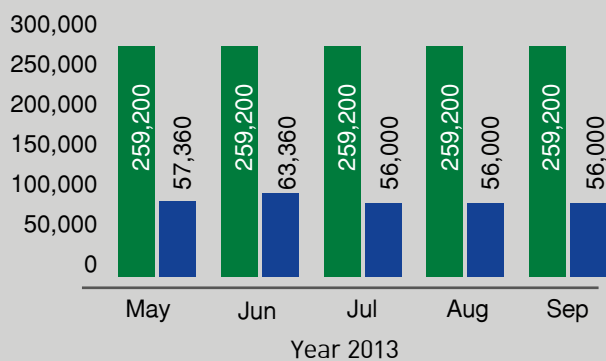


Control Box- servo motor

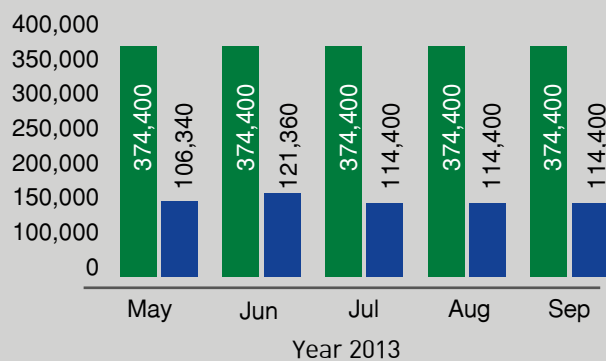


servo motor

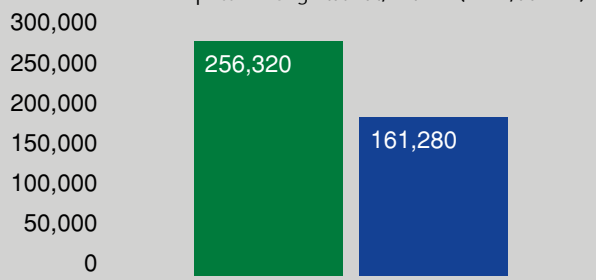
Electric power usage INJ.M/C 1800/1 (Baht/Month)



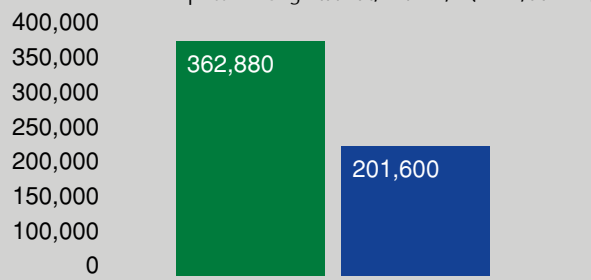
Electric power usage INJ.M/C 2600 (Baht/Month)



Electric power usage INJ.M/C 1380 (Baht/Month)



Electric power usage INJ.M/C 1800/2 (Baht/Month)



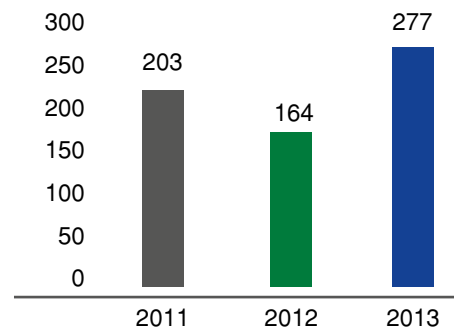
Before Motor Servo

After Motor Servo

Change the fuel lines, hydraulic injection molding machine



Hydraulic oil usage (200-Liter Steel Drum)



Oil through the use of a treatment or condition to be reused (recycled oil).



1. Debris filtration water separation



2. Coarse filter and water separator



3. Filter crubed oil storage tank



4. Filter

Activities for CSR/ Stakeholder

Event-Driven Social Responsibilities and Environment(CSR)

1. Staff Levels

1.1 Environment Activities



1.2 Health Activities



1.3 Social Activities



2. Surrounding Community

2.1 Activities to strengthen family



3. National Level



3.1 Personnel participating Eco automotive parts for 6 months for green supply chain management objectives.

3.2 Participating for Loss Reduction Process (LRP) for 5 months by Thailand Automotive Institute



3.3 Participating for AURDIP R&D Project(VAVE) for 3 months Automotive Institute JETRO

3.4 Knowledge Activities



3.5 The Company has the standard as ISO14001, OHSAS 1800, ISO/TS 16949 By building awareness and is considered a primary responsibility to comply with all the normal operation.

Awards

Green Supply Chain Management



New shares pride of the province. As the first company in Pathumthani province from SEC

Related party transactions

The relationships between the Company and its related persons and related parties are summarised below: -

Name of related persons and related parties	Relationship with the Company
Sangthong Auto Partsworld Co., Ltd.	A shareholder of the Company is a director of that company
Fortune Box Industry Co., Ltd.	Company owned by related person of the Company's management
S.C.G. Industry Co., Ltd.	A shareholder of the Company is a director of that company
Imperial Cable Industry Co., Ltd.	Common shareholding
Super Central Gas Co., Ltd.	Common directors and shareholding
K-Mart Service Co., Ltd.	A shareholder of the Company is a director of that company
Siam City Group Development Co., Ltd.	Common directors and shareholding
S.C.G. Hathairat Co., Ltd.	A shareholder of the Company is a director of that company
Mrs. Raweewan Mathong	Shareholder and director of the Company

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)

	2013	2012	Transfer pricing policy
<u>Transactions with related parties</u>			
Sales			
Sangthong Auto Partsworld Co., Ltd.	56,316	69,255	In the range of the average selling price in Asia or within 15% of competitor's selling price
Fortune Box Industry Co., Ltd.	36	-	Market price
Total	<u>56,352</u>	<u>69,255</u>	
Purchases of goods			
Sangthong Auto Partsworld Co., Ltd.	42,289	57,776	OEM: Within (plus or minus) about 5% of the prices of other suppliers; Other products: from 20% below to plus 5% above the price of other suppliers
Fortune Box Industry Co., Ltd.	21,711	15,810	Prices close to those of other suppliers
S.C.G. Industry Co., Ltd.	596	1,674	Purchased at prices 2% - 10% lower than those for other customers or at selling price minus operating cost of 5% - 8%
Imperial Cable Industry Co., Ltd.	559	779	Purchased at prices 2% - 10% lower than those for other customers or at selling price minus operating cost of 5% - 8%
Total	<u>65,155</u>	<u>76,039</u>	

(Unit: Thousand Baht)

	2013	2012	Transfer pricing policy
Other expenses			
K-Mart Service Co., Ltd.	687	950	Market price
Super Central Gas Co., Ltd.	21	284	Market price
S.C.G. Hathairat Co., Ltd.	43	-	Market price
Purchase of land			
Siam City Group Development Co., Ltd.	-	3,936	Market price
<u>Transactions with management and directors</u>			
Purchase of land			
Mrs. Raweewan Mathong	-	1,656	Market price

The balances of the accounts between the Company and its related persons and related parties are as follows:

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</u>
<u>Trade receivable - related parties (Note 9)</u>		
Sangthong Auto Partsworld Co., Ltd.	25,439	22,539
Fortune Box Industry Co., Ltd.	11	-
Total	<u>25,450</u>	<u>22,539</u>
<u>Trade payable - related parties (Note 15)</u>		
Sangthong Auto Partsworld Co., Ltd.	14,622	9,234
Fortune Box Industry Co., Ltd.	4,613	4,225
S.C.G. Industry Co., Ltd.	112	175
Imperial Cable Industry Co., Ltd.	53	28
Total	<u>19,400</u>	<u>13,662</u>
<u>Other payables - related persons (Note 15)</u>		
K-Mart Service Co., Ltd.	129	158
Super Central Gas Co., Ltd.	23	-
S.C.G. Hathairat Co., Ltd.	30	-
Total	<u>182</u>	<u>158</u>

Measures or Procedures for Approval of Connected Transactions

According to Section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), "Executive Directors or other related persons can carry out the transactions with a company or its subsidiaries only when such transaction has been authorized by the meeting of shareholders except when the transaction is a trading agreement in the manner any person of ordinary prudence shall conduct with their business partner under the same circumstances, with the power to negotiate the business as authorized by the company's board of directors, or according to the principles approved by the company's board of directors." As per the above requirement, the Company's Board of Directors has therefore specified that the Company and its subsidiaries wishing to carry out any transaction with any executive director or related person, such transaction must be in accordance with the general trading conditions or a transaction under trading agreement in the same manner as the person of ordinary prudence would do with general contracting partners under the same circumstances, and according to the negotiating power, without the influence such person has in the position of director, executive or related person, as the case may be, under reasonable condition and accountability that can be examined and shall not cause a transfer of interest. Besides, such transaction must be considered by the Company's Board of Directors. The Company's Board of Directors has prescribed the policies, procedures and consideration and approval process of the transaction as well as disclosing of information in accordance with the regulations prescribed by the government regulatory agency. That is, the Company or its subsidiaries can carry out a transaction with persons who may have conflict of interest only when approved by the Audit Committee or the Independent Directors, and have been approved by the Company's Board of Directors and/ or the meeting of shareholders prior to the transaction according to the amount of the transaction prescribed by the Stock Exchange of Thailand. However, for the transaction in which the Directors or persons who may have conflict of interest, vested interest, or may have other conflicts of interest with the Company, such Directors or persons shall not have the right to vote in that matter. For such purposes, the transaction shall not be conducted in such a manner of authorization which allows the authorized person to have the power in any other way to approve the transaction with interest of such authorized person or person with interest or conflict of interest with the Company or its subsidiaries.

Policy or Future Trend for Connected Transactions

The Company has a policy to continue the current connected transactions in the future under a good corporate governance by prescribing conditions in compliance with normal characteristics of business operations and market prices comparable to the prices paid by third parties. The Company includes the Audit Committee in considering the suitability of the prices and the reasonableness of the connected transactions. As for future connected transactions, the Company's Board of Directors will comply with the laws governing securities and the securities market as well as regulations, notifications, orders or requirements of the Office of the Securities and Exchange Commission, the Capital Supervision Committee and the Stock Exchange of Thailand, as well as following the requirements on disclosure of information on connected transactions and the acquisition or selling of important assets of the Company or its subsidiaries. If there is a connected transaction of the Company or its subsidiaries with persons who may have conflict of interest, vested interest, or may have conflict of interest in the future, the Company will require the Audit Committee's opinion on the need and appropriateness of such transaction. In the case where the Audit Committee has no expertise in considering the connected transaction which may be incurred, the Company will request the independent experts or the Company's auditor to give opinion on such connected transaction in support of the decision making of the Company's Board of Directors or its shareholders, as the case may be. The Company shall disclose connected transactions in the notes to the financial statements audited by the Company's auditor. Regarding the provision of financial assistance to its subsidiaries in the future, the Company shall consider their financial position, business operational results and ability in making repayment. In providing financial support to such subsidiaries, the Company shall take into consideration the advantages and disadvantages whether or not such subsidiaries can continue their business operations without the Company's assistance. Furthermore, in providing assistance, the Company shall take into consideration its position as a major shareholder and the power to control the management to be in line with the Company's objectives. The Company shall not, however, provide financial support to other companies which are not the Company's subsidiaries.

Independent Auditor's Report

To the Shareholders of Fortune Parts Industry Public Company Limited

I have audited the accompanying financial statements of Fortune Parts Industry Public Company Limited, which comprise the statement of financial position as at 31 December 2013, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fortune Parts Industry Public Company Limited as at 31 December 2013, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*. The Company has restated the financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the statement of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes. My opinion is not qualified in respect of this matter.

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

Ernst & Young Office Limited

Bangkok: 17 February 2014

Statements of financial position

Fortune Parts Industry Public Company Limited

As at 31 December 2013

(Unit: Baht)

		As at	As at	As at
	Note	31 December 2013	31 December 2012	1 January 2012
			(restated)	
Assets				
Current assets				
Cash and cash equivalents	8	48,335,528	50,407,209	598,089
Trade and other receivables	9	528,240,578	406,469,575	245,057,937
Inventories	10	360,028,028	328,406,611	311,526,776
Other current assets		80,669,859	65,183,029	53,827,004
Total current assets		1,017,273,993	850,466,424	611,009,806
Non-current assets				
Restricted bank deposits	11	35,882,312	35,111,644	41,403,619
Property, plant and equipment	12	752,110,257	639,963,821	568,487,595
Intangible assets	13	2,215,351	786,439	119,491
Deferred tax assets	22	518,247	2,219,819	5,719,783
Other non-current assets		1,809,816	23,129,925	238,650
Total non-current assets		792,535,983	701,211,648	615,969,138
Total assets		1,809,809,976	1,551,678,072	1,226,978,944

Statement of financial position (continued)

Fortune Parts Industry Public Company Limited

As at 31 December 2013

(Unit: Baht)

		As at	As at	As at
	Note	31 December 2013	31 December 2012	1 January 2012
			(restated)	
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans from				
financial institutions	14	618,013,558	483,071,164	476,087,866
Trade and other payables	15	257,505,237	251,286,511	228,321,415
Current portion of long-term loans	16	93,539,831	73,190,791	77,966,260
Income tax payable		15,352,372	25,607,759	22,992,859
Short-term provision	17	3,079,763	2,542,268	9,461,914
Other current liabilities		23,879,231	26,316,586	26,052,761
Total current liabilities		1,011,369,992	862,015,079	840,883,075
Non-current liabilities				
Long-term loans, net of current portion	16	107,462,833	78,678,126	69,744,909
Provision for long-term employee benefits	18	3,482,857	4,672,174	4,025,094
Total non-current liabilities		110,945,690	83,350,300	73,770,003
Total liabilities		1,122,315,682	945,365,379	914,653,078

Statement of financial position (continued)

Fortune Parts Industry Public Company Limited

As at 31 December 2013

				(Unit: Baht)
	Note	As at 31 December 2013	As at 31 December 2012 (restated)	As at 1 January 2012
Shareholders' equity				
Share capital				
Registered				
320,000,000 ordinary shares of Baht 1 each				
(2012: 295,000,000 ordinary shares				
of Baht 1 each)	19	320,000,000	295,000,000	295,000,000
Issued and fully paid-up				
295,000,000 ordinary shares of Baht 1 each				
(1 January 2012: 232,000,000 ordinary shares				
of Baht 1 each)		295,000,000	295,000,000	232,000,000
Share premium		151,436,250	151,436,250	-
Retained earnings				
Appropriated - statutory reserve	20	29,500,000	19,937,706	9,751,668
Unappropriated		211,558,044	139,938,737	70,574,198
Total shareholders' equity		687,494,294	606,312,693	312,325,866
Total liabilities and shareholders' equity		1,809,809,976	1,551,678,072	1,226,978,944

The notes are an integral part of these financial statements.

Statement of changes in shareholders' equity

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2011					
- as previously reported	232,000,000	-	9,751,668	64,854,415	306,606,083
Cumulative effect of change in accounting policy for income taxes (Note 4)	-	-	-	5,719,783	5,719,783
Balance as at 31 December 2011 - as restated	232,000,000	-	9,751,668	70,574,198	312,325,866
Increase share capital (Note 19)	63,000,000	151,436,250	-	-	214,436,250
Dividend paid (Note 26)	-	-	-	(79,479,904)	(79,479,904)
Total comprehensive income for the year (restated)	-	-	-	159,030,481	159,030,481
Unappropriated retained earnings transferred to statutory reserve	-	-	10,186,038	(10,186,038)	-
Balance as at 31 December 2012 - as restated	295,000,000	151,436,250	19,937,706	139,938,737	606,312,693
Balance as at 31 December 2012					
- as previously reported	295,000,000	151,436,250	19,937,706	137,718,918	604,092,874
Cumulative effect of change in accounting policy for income taxes (Note 4)	-	-	-	2,219,819	2,219,819
Balance as at 31 December 2012 - as restated	295,000,000	151,436,250	19,937,706	139,938,737	606,312,693
Dividend paid (Note 26)	-	-	-	(82,589,200)	(82,589,200)
Total comprehensive income for the year	-	-	-	163,770,801	163,770,801
Unappropriated retained earnings transferred to statutory reserve	-	-	9,562,294	(9,562,294)	-
Balance as at 31 December 2013	295,000,000	151,436,250	29,500,000	211,558,044	687,494,294

Income statement

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2013

			(Unit: Baht)
	<u>Note</u>	<u>2013</u>	<u>2012</u> (restated)
Revenues			
Sales		1,648,540,596	1,472,952,551
Service income		11,839,476	27,254,757
Export incentive		51,497,593	52,838,710
Gain on exchange		2,969,850	16,772,197
Other income		7,117,159	16,044,671
Total revenues		1,721,964,674	1,585,862,886
Expenses			
Cost of sales		1,304,630,894	1,160,160,100
Cost of services		5,943,010	13,677,270
Selling expenses		110,342,189	102,378,659
Administrative expenses		63,012,404	53,600,328
Allowance for doubtful accounts (reversal)		(7,906,608)	6,141,551
Allowance for diminution in value of inventories (reversal)		(953,232)	2,059,165
Total expenses		1,475,068,657	1,338,017,073
Profit before finance cost and income tax expenses		246,896,017	247,845,813
Finance cost		(43,481,909)	(42,225,802)
Profit before income tax expenses		203,414,108	205,620,011
Income tax expenses	22	(39,643,307)	(46,589,530)
Profit for the year		163,770,801	159,030,481
Earnings per share	23		
Basic earnings per share			
Profit for the year		0.56	0.63

Statement of comprehensive income

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2013

	(Unit: Baht)	
	<u>2013</u>	<u>2012</u>
		(restated)
Profit for the year	163,770,801	159,030,481
Other comprehensive income:		
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>163,770,801</u>	<u>159,030,481</u>

Cash flows statement

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2013

	(Unit: Baht)	
	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Profit before tax	203,414,108	205,620,011
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	145,160,914	129,366,067
Allowance for doubtful accounts (reversal)	(7,906,608)	6,141,551
Reduction of inventory to net realisable value (reversal)	(953,232)	2,059,165
Gain on sales of equipment	(230,037)	(2,002,230)
Increase (decrease) in provision for product warranty	537,495	(6,919,646)
Increase (decrease) in provision for long-term employee benefits	(1,189,317)	647,080
Unrealised gain on exchange	(18,684,329)	(6,337,985)
Interest expenses	39,110,616	38,717,520
Profit from operating activities before changes in operating assets and liabilities	359,259,610	367,291,533
Operating assets decrease (increase)		
Trade and other receivables	(88,089,578)	(163,960,236)
Inventories	(30,668,185)	(18,939,000)
Other current assets	(15,486,830)	(11,557,906)
Other non-current assets	(1,750,000)	(22,891,275)
Operating liabilities increase (decrease)		
Trade and other payables	9,688,170	20,167,934
Other current liabilities	(2,885,662)	476,143
Cash flows from operating activities	230,067,525	170,587,193
Cash paid for corporate income tax	(48,197,122)	(40,474,666)
Net cash flows from operating activities	181,870,403	130,112,527

Cash flows statement (continued)

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2013

	(Unit: Baht)	
	<u>2013</u>	<u>2012</u>
Cash flows from investing activities		
Decrease (increase) in restricted bank deposits	(770,668)	6,291,975
Acquisition of property, plant and equipment	(238,192,436)	(198,701,299)
Acquisition of intangible assets	(1,819,920)	(819,350)
Proceeds from sale of equipment	2,480,912	3,302,638
Net cash flows used in investing activities	(238,302,112)	(189,926,036)
Cash flows from financing activities		
Increase in bank overdrafts and		
short-term loans from financial institutions	134,942,394	7,007,513
Cash receipt from long-term loans	128,572,526	106,536,086
Repayment of long-term loans	(88,145,820)	(99,687,573)
Proceeds from increase in share capital	-	214,436,250
Cash paid for interest expenses	(38,419,872)	(39,189,743)
Dividend paid	(82,589,200)	(79,479,904)
Net cash flows from financing activities	54,360,028	109,622,629
Net increase (decrease) in cash and cash equivalents	(2,071,681)	49,809,120
Cash and cash equivalents at beginning of year	50,407,209	598,089
Cash and cash equivalents at end of year	48,335,528	50,407,209
Supplemental cash flows information:		
Non-cash items		
Undue installments for asset purchases	6,108,901	10,339,724
Outstanding receivable from sale of assets	3,906,590	-
Transfer deposit for fixed assets to property, plant and equipment	23,070,109	-

Notes to financial statements

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2013

1. General information

Fortune Parts Industry Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of the automotive replacement parts and dipping and painting services. The registered office of the Company is at 11/22 Moo 20, Nimitmai Road, Lamlukka, Pathumthani.

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 dated 28 September 2011, 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 accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
Financial Reporting Standard:	
TFRS 8	Operating Segments

Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company has changed this accounting policy in this year and restated the prior year's financial statements, presented as comparative information, as though the Company had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014

		<u>Effective date</u>
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets – Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the income statements are summarised below.

	(Unit: Thousand Baht)		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
Statements of financial position			
Increase in deferred tax assets	518	2,220	5,720
Increase in unappropriated retained earnings	518	2,220	5,720

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2013	2012
Income statements		
Increase in income tax expenses	1,702	3,500
Decrease in basic earnings per share (Baht)	-	(0.02)

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered.

Export incentive

Export incentives, which are received in the form of tax coupons, are recognised as income when the Company exports the goods.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

5.2 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.

5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.4 Inventories

Finished goods and work in process are valued at the lower of average cost and net realisable value. Average cost includes all production costs and attributable factory overhead.

Raw materials, packages and supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

5.5 Property, plant and equipment and depreciation

Land is stated at cost. Plant 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 on the straight-line basis over the following estimated useful lives:

Land improvement, factory and office buildings	20 years
Machinery and equipment	5 years, 10 years and 20 years
Moulds and printing blocks	5 years, 6 years and 10 years
Fixtures and office equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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.

5.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic 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.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 years

5.7 Related party transactions

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

They also include associated companies and individuals 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.

5.8 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, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

5.9 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.10 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

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

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

5.11 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.

5.12 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 they recognise 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.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

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

The obligation under the defined benefit plan 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.

Provision for product warranty

In determining warranty reserve, the management needs to exercise judgment to estimate anticipated losses, with reference to past experience.

7. Related party transactions

The relationships between the Company and its related persons and related parties are summarised below: -

Name of related persons and related parties	Relationship with the Company
Sangthong Auto Partsworld Co., Ltd.	A shareholder of the Company is a director of that company
Fortune Box Industry Co., Ltd.	Company owned by related person of the Company's management
S.C.G. Industry Co., Ltd.	A shareholder of the Company is a director of that company
Imperial Cable Industry Co., Ltd.	Common shareholding
Super Central Gas Co., Ltd.	Common directors and shareholding
K-Mart Service Co., Ltd.	A shareholder of the Company is a director of that company
Siam City Group Development Co., Ltd.	Common directors and shareholding
S.C.G. Hathairat Co., Ltd.	A shareholder of the Company is a director of that company
Mrs. Raweewan Mathong	Shareholder and director of the Company

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)			
	2013	2012	Transfer pricing policy
<u>Transactions with related parties</u>			
Sales			
Sangthong Auto Partsworld Co., Ltd.	56,316	69,255	In the range of the average selling price in Asia or within 15% of competitor's selling price
Fortune Box Industry Co., Ltd.	36	-	Market price
Total	56,352	69,255	
Purchases of goods			
Sangthong Auto Partsworld Co., Ltd.	42,289	57,776	OEM: Within (plus or minus) about 5% of the prices of other suppliers; Other products: from 20% below to plus 5% above the price of other suppliers
Fortune Box Industry Co., Ltd.	21,711	15,810	Prices close to those of other suppliers
S.C.G. Industry Co., Ltd.	596	1,674	Purchased at prices 2% - 10% lower than those for other customers or at selling price minus operating cost of 5% - 8%
Imperial Cable Industry Co., Ltd.	559	779	Purchased at prices 2% - 10% lower than those for other customers or at selling price minus operating cost of 5% - 8%
Total	65,155	76,039	

(Unit: Thousand Baht)

	2013	2012	Transfer pricing policy
Other expenses			
K-Mart Service Co., Ltd.	687	950	Market price
Super Central Gas Co., Ltd.	21	284	Market price
S.C.G. Hathairat Co., Ltd.	43	-	Market price
Purchase of land			
Siam City Group Development Co., Ltd.	-	3,936	Market price
<u>Transactions with management and directors</u>			
Purchase of land			
Mrs. Raweewan Mathong	-	1,656	Market price

The balances of the accounts between the Company and its related persons and related parties are as follows:

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</u>
<u>Trade receivable - related parties (Note 9)</u>		
Sangthong Auto Partsworld Co., Ltd.	25,439	22,539
Fortune Box Industry Co., Ltd.	11	-
Total	25,450	22,539
<u>Trade payable - related parties (Note 15)</u>		
Sangthong Auto Partsworld Co., Ltd.	14,622	9,234
Fortune Box Industry Co., Ltd.	4,613	4,225
S.C.G. Industry Co., Ltd.	112	175
Imperial Cable Industry Co., Ltd.	53	28
Total	19,400	13,662
<u>Other payables - related persons (Note 15)</u>		
K-Mart Service Co., Ltd.	129	158
Super Central Gas Co., Ltd.	23	-
S.C.G. Hathairat Co., Ltd.	30	-
Total	182	158

Directors and management's benefits

During the years, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
Short-term employee benefits	21,517	17,879
Post-employment benefits	(570)	521
Total	20,947	18,400

8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
Cash	150	150
Bank deposits	48,186	50,257
Total	48,336	50,407

As at 31 December 2013, bank deposits in saving accounts carried interest at 0.50% per annum (2012: 0.75% per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	10,441	15,568
Past due up to 3 months	15,009	6,971
Total trade receivables - related parties	25,450	22,539
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	294,908	253,009
Past due		
Up to 3 months	134,817	91,850
3 - 12 months	72,974	26,390
Over 12 months	13,768	24,483
Total	516,467	395,732
Less: Allowance for doubtful accounts	(19,841)	(25,874)
Total trade receivables - unrelated parties, net	496,626	369,858
Total trade receivables - net	522,076	392,397

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</u>
<u>Other receivables</u>		
Other receivables from selling equipment	3,907	5,780
Revenue department receivable	5,765	13,928
Others receivables	400	145
Total	10,072	19,853
Less: Allowance for doubtful accounts	(3,907)	(5,780)
Total other receivables, net	6,165	14,073
Total trade and other receivables - net	528,241	406,470

10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Finished goods (included trading goods)	317,534	280,707	(45,899)	(42,744)	271,635	237,963
Work in process	16,429	24,255	(3,495)	(5,016)	12,934	19,239
Raw materials	66,766	66,861	(11,883)	(14,542)	54,883	52,319
Packaging materials and supplies	21,644	19,882	(1,068)	(996)	20,576	18,886
Total	422,373	391,705	(62,345)	(63,298)	360,028	328,407

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Land improvement	Factory and office buildings	Machinery and equipment	Moulds and printing blocks	Fixtures and office equipment	Motor vehicles	Construction in progress	Total
Cost									
1 January 2012	73,745	15,864	154,547	361,250	1,020,370	22,793	17,543	15,247	1,681,359
Additions	15,737	-	1,486	11,777	78,316	1,332	3,986	89,356	201,990
Disposals/write-off	-	-	-	(1,415)	(1,127)	(946)	(449)	-	(3,937)
Transfer in/(transfer out)	-	-	4,565	3,788	18,665	2,724	-	(29,742)	-
31 December 2012	89,482	15,864	160,598	375,400	1,116,224	25,903	21,080	74,861	1,879,412
Additions	-	-	-	72,926	90,189	3,665	4,864	85,388	257,032
Disposals/write-off	-	-	-	(337)	(59)	(105)	(1,225)	-	(1,726)
Transfer in/(transfer out)	-	-	4,363	43,241	21,280	891	-	(69,775)	-
31 December 2013	89,482	15,864	164,961	491,230	1,227,634	30,354	24,719	90,474	2,134,718
Accumulated depreciation									
1 January 2012	-	(6,093)	(49,960)	(242,382)	(785,604)	(19,155)	(9,677)	-	(1,112,871)
Depreciation for the year	-	(793)	(7,712)	(26,466)	(90,145)	(1,569)	(2,529)	-	(129,214)
Depreciation on disposals/write-off	-	-	-	1,252	-	936	449	-	2,637
31 December 2012	-	(6,886)	(57,672)	(267,596)	(875,749)	(19,788)	(11,757)	-	(1,239,448)
Depreciation for the year	-	(793)	(8,035)	(39,404)	(91,271)	(2,261)	(3,006)	-	(144,770)
Depreciation on disposals/write-off	-	-	-	282	-	103	1,225	-	1,610
31 December 2013	-	(7,679)	(65,707)	(306,718)	(967,020)	(21,946)	(13,538)	-	(1,382,608)
Net book value									
31 December 2012	89,482	8,978	102,926	107,804	240,475	6,115	9,323	74,861	639,964
31 December 2013	89,482	8,185	99,254	184,512	260,614	8,408	11,181	90,474	752,110
Depreciation for the year									
2012 (Baht 126 million included in cost of sales and cost of services, and the balance in administrative expenses)									129,214
2013 (Baht 142 million included in cost of sales and cost of services, and the balance in administrative expenses)									144,770

As at 31 December 2013, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 950 million (2012: Baht 851 million).

The Company has mortgaged, all land with premises thereon and certain machinery and equipment amounting to approximately Baht 233 million (2012: Baht 216 million) as collateral against credit facilities received from financial institutions.

13. Intangible assets

(Unit: Thousand Baht)

	Computer software
Cost:	
1 January 2012	4,982
Acquisition	819
31 December 2012	5,801
Acquisition	1,820
31 December 2013	7,621
Accumulated amortisation:	
1 January 2012	(4,863)
Amortisation	(152)
31 December 2012	(5,015)
Amortisation	(391)
31 December 2013	(5,406)
Net book value:	
31 December 2012	786
31 December 2013	2,215

14. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	2013	2012
Bank overdrafts	MOR, MOR - 0.50	30,291	25,953
Short-term loans - promissory notes	5.65, 5.25	20,000	20,000
Short-term loans - packing credit	LIBOR/SIBOR + 1.50, MLR - 0.25, MOR - 1.25	368,722	367,710
Short-term loans - trust receipts	LIBOR/SIBOR + 2.50	3,216	10,280
Short-term loans - letters of credit	MMR, MMR - 0.30, SIBOR + 2.00 to 2.30	195,785	59,128
Total		618,014	483,071

Bank overdrafts and short-term loans are secured by the mortgage of all land with premises and certain machinery and equipment of the Company.

15. Trade and other payables

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</u>
Trade payables - related parties	19,400	13,662
Trade payables - unrelated parties	170,862	177,308
Other payables - related parties	31,469	24,311
Other payables - unrelated parties	182	158
Other payables for purchase of equipment	6,109	10,340
Accrued expenses	29,483	25,508
Total trade and other payables	<u>257,505</u>	<u>251,287</u>

16. Long-term loans

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</u>	Interest rate (% per annum)	Repayment schedule	Collateral
Facility 1	131,809	118,191	LIBOR/SIBOR + 1.50 per annum	Monthly installments of principal and interest amounting to not less than USD 209,872 each (2011: USD 201,565 each)	Mortgage of land with premises thereon and mortgage of machinery with equipment.
Facility 2	8,276	12,228	Year 1-2: MLR - 1.00 per annum Year 3-5: MLR per annum	Monthly installments of principal and interest amounting to Baht 420,000 each, with full repayment to be made within 2015	Mortgage of land and premises thereon.
Facility 3	16,650	21,450	Year 1-5: MLR - 1.00 per annum	Monthly installments of principal and interest amounting to Baht 400,000 each, with full repayment to be made within 2017	Mortgage of land and premises thereon and mortgage of machinery
Facility 4	19,152	-	Year 1: MLR - 1.00 per annum Year 2-5: MLR per annum	Monthly installments of principal and interest amounting to Baht 570,000 each, with full repayment to be made within 2017	Mortgage of land with premises thereon
Facility 5	25,116	-	Year 1-2: MLR - 1.00 per annum Year 3-5: MLR per annum	Monthly installments of principal and interest amounting to Baht 577,000 each, with full repayment to be made within 2018	Mortgage of land and premises thereon
Total	<u>201,003</u>	<u>151,869</u>			
Less: Current portion	<u>(93,540)</u>	<u>(73,191)</u>			
Net	<u>107,463</u>	<u>78,678</u>			

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratios according to the agreements.

As at 31 December 2013, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 11 million (2012: Baht 61 million).

17. Short-term provision

(Unit: Thousand Baht)

	Provision for product warranty
1 January 2012	9,462
Utilised	(2,145)
Reversal	(4,775)
1 January 2013	2,542
Increase during the year	3,590
Utilised	(3,052)
31 December 2013	3,080

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</u>
Defined benefit obligation at beginning of year	4,672	4,025
Current service cost	1,081	860
Interest cost	179	162
Actuarial gain	(2,449)	(375)
Provision for long-term employee benefits at end of year	<u>3,483</u>	<u>4,672</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</u>
Current service cost	1,081	860
Interest cost	179	162
Actuarial gain recognised during the year	(2,449)	(375)
Total expense (income) recognised in profit or loss	<u>(1,189)</u>	<u>647</u>
Line items under which such expenses are included in profit or loss		
Cost of sales and cost of services	(514)	181
Administrative expenses	(675)	466

Principal actuarial assumptions at the valuation date were as follows:

	<u>2013</u>	<u>2012</u>
	(% per annum)	(% per annum)
Discount rate	3.97	3.82
Future salary increase rate	5.50	5.50
Staff turnover rate (depending on age)	0 - 52	0 - 58

Amounts of defined benefit obligation for the current and previous four periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	Experience adjustments arising on the plan liabilities
Year 2013	3,483	(134)
Year 2012	4,672	486
Year 2011	4,025	-
Year 2010	3,187	-
Year 2009	2,515	-

19. Share capital

2012

On 10-12 September 2012, the Company had an initial public offering (including the Company's directors and employees) of 63 million ordinary shares of the Company at Baht 3.50 per share, par value at Baht 1 per share. Total proceeds from the Company's newly share offering were Baht 220 million, with a share premium of Baht 151 million, net of related expenses incurred in making the offering. The Company registered the change in its paid-up share capital of Baht 295 million with the Ministry of Commerce on 13 September 2012.

The Market for Alternative Investment approved the listing of the Company's ordinary shares and permitted them to commence trading on 20 September 2012.

2013

On 23 December 2013, an extraordinary general meeting of the Company's shareholders approved the following:

1. The issuance and offering of not more than SGD 10 million of convertible debentures or the equivalent in another currency, as detailed below.

Term : Not more than 3 years

Allocation method : Private placement with overseas investors, to be issued and offered in 5 tranches in a value not exceeding SGD 2 million or the equivalent in another currency, separated into 5 sub-tranches, with the value of each sub-tranche equal to SGD 400,000 or the equivalent in another currency.

Interest rate : 2% per annum

Exercise period : From the issue date until a week before the maturity date

Conversion price : Calculated based on division of the principal amount of the convertible debentures by the conversion price. The holder of convertible debentures can choose one of the following:

- 1) 135% of the average of the daily traded volume weighted average price per share for 45 business days prior to the date of the subscription agreement or the issuance date.
- 2) 90% of the average closing price per share on any 3 business days during the 45 business days before the relevant conversion date.

Number of ordinary : Not over 25,000,000 ordinary shares
shares reserved
for conversion

However, the Board of Directors and/or persons authorized by the Board of Directors are authorised to stipulate or amend details of the method and other conditions regarding the issuance and offering of the convertible debentures, such as the issuance date, the number of convertible debentures to be issued and offered, par value, offering price, interest rate, calculation and payment of interest, conversion price, exercise period and redemption date, final exercise date, and the conditions of the adjustment of rights.

On 4 February 2014, the Company obtained a letter of approval, which was issued by the Securities Exchange Commission granting the Company to offer for sale of convertible debentures of 3 tranches, totaling SGD 6 million; provided that the issuance must be completed within 6 months after the date of the letter. Further, the Company is requested to convene the shareholders' meeting in order to approve for the issue for sale of Tranche 4 and Tranche 5 of convertible debentures, totaling SGD 4 million.

2. The increase of the Company's registered share capital from Baht 295 million (295 million ordinary shares of Baht 1 each) to Baht 320 million (320 million ordinary shares of Baht 1 each), through the issuance of 25 million additional ordinary shares with a par value of Baht 1 each, to be reserved for the exercise of the convertible debentures.

The Company registered the increase of its registered share capital with the Ministry of Commerce on 27 December 2013

20. Statutory reserve

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

21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
Salary, wages and other employee benefits	132,277	102,907
Depreciation	144,770	129,214
Freight charges	98,254	91,180
Purchases of trading goods	559,920	567,040
Raw materials and consumables used	435,249	330,710
Changes in inventories of finished goods and work in process	(29,001)	(16,142)

22. Income tax

Income tax expenses for the years are made up as follows:

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u> (restated)
Current income tax:		
Current income tax charge	37,941	43,090
Deferred tax:		
Relating to origination and reversal of temporary differences	1,702	3,500
Income tax expenses reported in the income statements	<u>39,643</u>	<u>46,590</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates are presented below.

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u> (restated)
Accounting profit before tax	205,009	205,620
Applicable tax rate	20%	23%
Accounting profit before tax multiplied by applicable tax rate	41,002	47,293
Effect of changes in the applicable tax rates	-	(669)
Effects of:		
Non-deductible expenses	(1,359)	1,361
Additional expense deductions allowed	-	(1,395)
Total	(1,359)	(34)
Income tax expenses reported in the income statements	<u>39,643</u>	<u>46,590</u>

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

(Unit: Thousand Baht)

	Statements of financial position		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
		(restated)	
Deferred tax assets			
Adjustment from revaluation according to forward exchange contracts	(237)	(1,443)	471
Allowance for doubtful accounts	91	91	-
Allowance for diminution of inventories	12,469	12,659	12,248
Accumulated amortisation - Computer software	30	30	23
Provision for long-term employee benefits	696	934	805
Provision for product warranty	616	509	2,176
Total	13,665	12,780	15,723
Deferred tax liabilities			
Deferred revenue from customs duty	13,147	10,560	10,003
Total	13,147	10,560	10,003

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

23. Earnings per share

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

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
		(restated)				(restated)
Basic earnings per share						
Profit for the year	163,771	159,030	295,000	250,934	0.56	0.63

24. 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.

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments as follows:

- Domestic sales, which manufacture and domestic distribution of automotive parts and equipment
- Export sales, which manufacture and overseas distribution of automotive parts and equipment
- Services from dipping and painting

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company's financing activities, which give rise to finance costs, finance income and income tax expenses are managed on the Company basis. Therefore these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table presents revenue and profit information regarding the Company's operating segments.

(Unit: Thousand Baht)

	For the years ended 31 December							
	Domestic sales		Export sales		Services		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
								(restated)
Revenues	188,983	198,880	1,459,557	1,274,073	11,840	27,254	1,660,380	1,500,207
Segment income	44,445	32,265	299,465	280,527	5,896	13,577	349,806	326,369
Other income							61,585	85,656
Selling expenses							(110,343)	(102,378)
Administrative expenses							(54,152)	(61,801)
Finance cost							(43,482)	(42,226)
Income tax expenses							(39,643)	(46,590)
Profit for the year							<u>163,771</u>	<u>159,030</u>

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

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
Revenue from external customers		
Thailand	200,823	226,135
Saudi Arabia	298,786	203,192
Others	1,160,771	1,070,880
Total	<u>1,660,380</u>	<u>1,500,207</u>

Major customers

For the years 2013 and 2012, the Company has no major customer with revenue of 10% or more of an entity's revenues.

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3% of basic salary. The fund, which is managed by Krungsri Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company contributed Baht 1 million to the fund (2012: Baht 1 million).

26. Dividend paid

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Thousand Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2011	Annual General Meeting of the shareholders on 24 April 2012	44,080	0.19
Interim dividends for 2012	Board of Directors' Meeting on 8 November 2012	35,400	0.12
Total for 2012		<u>79,480</u>	<u>0.31</u>
Final dividends for 2012	Annual General Meeting of the shareholders on 2 April 2013	23,591	0.08
Interim dividends for 2013	Board of Directors' Meeting on 11 November 2013	58,998	0.20
Total for 2013		<u>82,589</u>	<u>0.28</u>

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2013, the Company had capital commitments of approximately Baht 7 million and USD 1 million (2012: Baht 19 million), relating to the construction of factory and office buildings.

27.2 Guarantees

As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 5 million (2012: Baht 5 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of the business to guarantee electricity use.

28. Financial instruments

28.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, accounts receivable and payable, short-term and long-term loans. 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 and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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 2013

	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	48	-	48	0.50
Trade and other receivables	-	-	528	528	-
Restricted bank deposits	35	-	-	35	2.00
Total	35	48	528	611	
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	20	598	-	618	5.25 - 7.775
Trade and other payables	-	-	258	258	-
Long-term loans	-	201	-	201	6.875 - 7.250
Total	20	799	258	1,077	

(Unit: Million Baht)

As at 31 December 2012

	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	50	-	50	0.75
Trade and other receivables	-	-	406	406	-
Restricted bank deposits	35	-	-	35	1.75 - 3.00
Total	35	50	406	491	
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	20	463	-	483	5.65 - 7.75
Trade and other payables	-	-	251	251	-
Long-term loans	-	152	-	152	6.00 - 6.37
Total	20	615	251	886	

Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

As at 31 December 2013

Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	15	5	32.58 - 32.95

As at 31 December 2012

Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	12	5	30.39 - 30.78

Forward exchange contracts outstanding are summarised below.

As at 31 December 2013

Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	29	31.06 – 33.04	January - June 2014

As at 31 December 2012

Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	11	30.97 – 31.56	April - May 2013

28.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximize shareholder value. As at 31 December 2013, the Company's debt-to-equity ratio was 1.63:1 (2012: 1.56:1).

30. Event after the reporting period

On 17 February 2014, the meeting to the Board of Directors passed a resolution to propose to the Annual General Meeting of the Company's shareholders for their approval for the dividend payment for the year 2013 of Baht 0.1 per share. The payment of the dividend is depended on an approval being granted by the shareholder.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2014.



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