

Annual Report 2014

รายงานประจำปี 2557

“Giving the Most Value to Stakeholder”



บริษัท ฟอ์จูน พาร์ท อินดัสตรี จำกัด (มหาชน)
FORTUNE PARTS INDUSTRY PUBLIC COMPANY LIMITED



“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 as 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 24 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”



CONTENTS

02	Financial Highlight	
03	Vission and Business Strategy	
04	Awards	
05	Message from the Executive Committee	
06	Report of The Audit Committee	
08	Report of the Nomination and Remuneration Committee	
09	Report of Risk Management Committee	26
10	Board of Director	28
11	Board of Director, Management and Company Secretary	30
21	General Company Information	32
23	Company Background	34
		36
		37
		38
		39
		46
		49
		54
		62
		66
		68



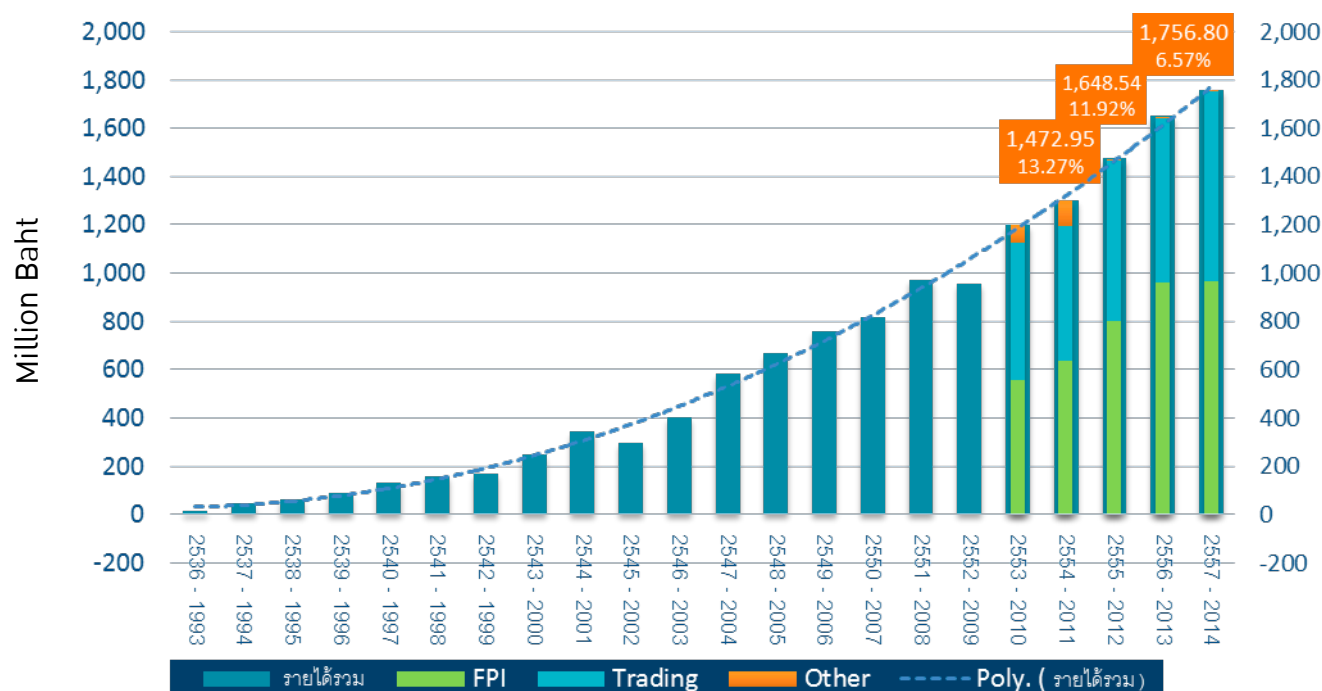
FINANCIAL HIGHLIGHT

Unit : Million Baht

	2012	2013	2014	+/-
Description				
Total Assets	1,551.68	1,809.81	2,202.41	21.69%
Total Liabilities	945.37	1,122.32	1,314.77	17.15%
Equity	606.31	687.49	887.64	29.11%
Paid-up Capital	295.00	295.00	300.96	2.02%
Total Revenue	1,585.86	1,721.96	1,840.40	6.88%
Net Profit	159.03	163.77	199.30	21.70%
EPS (Baht)	0.55	0.56	0.17	-69.64%
Net Profit Margin (%)	10.25	9.46	10.73	-5.16%
ROA (%)	10.25	9.46	10.73	13.42%
ROE (%)	35.69	25.36	25.31	-19.72%
D/E Ratio	1.56	1.63	1.48	-9.20%



Total Revenue from Year 1993 - 2014



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 :



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.

Sustainability Development

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

Alliance

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

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 management to achieve the goals and strategy to complete in the business. The Company has a philosophy arena by adhering to the mission of "Giving the Most Value to Stakeholders" through the main seven 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.



Awards

IPOP AWARD



Quality System

Green Industry Level 3
(Green System)

ISO9001 : 2008



ISOTS16949 : 2009



OHSAS 18001 : 2007



ISO14001 : 2004

MESSAGE FROM THE EXECUTIVE COMMITTEE



Sompol Tanadumrongsak

Chairman of the Executive Committee

Fortune Parts Industry Public Company Limited

To Shareholders,

More than over 20 years since FPI founded, The Company has developed advanced manufacturing process continue. 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 124 countries worldwide. The company has revenues from export more than 1,515 million Baht per year. It is also acceptable both to domestic and foreign car markets are LANDROVER, VOLVO, SUZUKI, TOYOTA, NISSAN, MAZDA, MITSUBISHI etc.

For the year 2014, Although automotive industry in Thailand have total production and export decrease from 2.46 million units in year 2013 to only 1.88 units in year 2014, or decrease more than 24% But The company's revenue has grown from 1,722 million Baht

increase to 1,840 million Baht or increase 6.88%. Net profit has grown from 163.77 million Baht to 199.30 million Baht or increase 21.70% as a result of The Company has revenue greater than 87% from export and 13% from domestic, so The Company has not effected from politic and domestic economy.

For the year 2014, the Executive Committee is committed to co-operate with industry-leading global manufacturer of automotive parts, seeking new partners in aboard to build a strong manufacturing base, business partners both OEM and REM, expand production lines to meet the needs of our customer. Company 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 approach to the sustainable development, to enhance the social well-being parallel with the development of the country. There are the reasons for the maximize return to shareholders in the long term sustainability and gain trust among all stakeholders.

Finally, I would like to thank all the management and all employees for their dedicated and hardworking, resulting the Company move forward and sustainable growth. Moreover, I would like to thank all shareholders, trade partners, financial institutions as well as stakeholders 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



Ph.D. Naris Chaiyasoot

Chairman of the Audit Committee

Fortune Parts Industry Public Company Limited

To 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 2014, the Audit Committee had carried out the duties under the responsibilities according to the principles of good governance by holding 5 committee meetings and has consulted with the management, the Internal Audit Department and the external auditor on concerned matters. Its duties can be summarized as follows :

1. Review Financial Report System

The Audit Committee has jointly with the executives, the Internal Audit Department and the auditor, except the management, reviewed Fortune Parts Industry Public Company Limited's quarterly and yearly

financial statements of 2014. The consultation has been made on the independence in performing the duties and the expression of opinion of the auditor. The auditor has also been asked about the correctness and completeness of the financial statements and adjustment of significant accounting items which would have impact on the financial statements, the sufficiency and the appropriateness of the account recording methods and the scope of the audit. Accordingly, the disclosure of information in a correct, complete and sufficient manner with the independence of the auditor ensured that the preparation of financial statements has been made according to the provisions of the laws and accounting standards in line with generally accepted accounting principles.

The accounting system and the financial statements are, therefore, correct and reliable. In addition, the information has been disclosed in the financial statements sufficiently and in a timely manner for the benefit of investors or users of the financial statements. The Audit Committee has reviewed the operational results of various departments by comparing their plans and their operational results. It has made inquiries on problems, while providing opinions and considerations regarding management guidelines to ensure that the implementation of such guidelines has been made in an appropriate and transparent manner.

2. Review of Assessment System of Risk Management

The Audit Committee has reviewed the assessment of the risk management according to the principles prescribed in the policy on risk management and followed up the progress on significant risk management by taking into consideration risk factors and chances to generate impact by such risk management. Accordingly, such management ensures that the Company has systematically assessed significant risks while providing knowledge and understanding for the employees across the organization in order to be important mechanism in creating additional value to its business.

3. Review of Internal Control System

The Audit Committee has reviewed the internal control system in order to assess the sufficiency and suitability of the internal control system in accordance with the internal audit standards and the guidelines prescribed by the Securities and Exchange Commission of Thailand. It also considered the audit results according to the approved audit plan and reported the audit results, whereby the management of the Company has monitored and

ensured that there were correction and improvement in accordance with the recommendations of the Audit Committee on a continual basis. It shall adjust and improve the internal control system to be in line with changing circumstances. From the internal audit results, there has been no weakness or defect in the internal control system in material matter, and the Audit Committee is of the opinion that the Company has appropriate internal control system and sufficient risk supervision. In addition, the auditor has assessed the internal control system and found no significant weakness which may have impact on the Company's financial statements.

4. Review of Compliance with Business Related Laws

The Audit Committee has reviewed the compliance with the Securities and Stock Exchange Laws, policy of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission and other laws related to the business of the Company and found that compliance has been made correctly with related laws.

5. Review of Connected Transactions or Transaction which Might Contain Conflicts of Interest

The Audit Committee has reviewed such transactions and found that they are actual trading transactions which are general and reasonable businesses with no conflict of interest and in compliance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand (SET).

6. Review of Implementation of Counter-Corruption Measures

The Audit Committee has reviewed the internal control measures including the supervision on compliance with the principle of anti-corruption measures as well as the risk assessment. It has also provided recommendations and reported on review results according to the principle of anti-corruption measures to the Board of Directors. The results of the internal audit carried out in accordance with the principle of anti-corruption measures revealed no weakness or defect in the internal control system in material matters, and the Audit Committee is of the opinion that the Company has appropriate internal control system, sufficient supervision of risk and principle of anti-corruption measures in line with the Nation Associate Anti-Corruption Network.

7. Review of Requirements of the Audit Committee and Charters of the Internal Audit Department

The Audit Committee has reviewed its requirements to be suitable and in accordance with its established duties and responsibilities as well as relevant legal provisions by performing its duties with due care, independence and transparency for maximum benefits of the Company. Accordingly, the Audit Committee is confident that the financial statements of Fortune Parts Industry Public Company Limited is correct, reliable and in accordance with generally accepted accounting principles. Also, its financial reporting standards have been adopted according to the risk management as well as effective and sufficient internal control system, while being consistent with relevant laws and official requirements in all respects. In addition, the Audit Committee has reviewed the Charter of the Internal Audit Department to ensure its suitability and consistency with the responsibilities of the Internal Audit Department as the Charter would be used as operational guidelines. This will also raise awareness of the importance of corporate governance. The Internal Audit Department can perform its duties independently, while the Audit Committee can provide recommendations, consultation and information useful for making decision in making improvement of the Company's operations.

8. Consideration to Appoint the Auditor and Auditing Fee for the Year 2014

The Audit Committee has considered selecting and proposing to appoint the auditor and determine the auditing fee for the year 2014 by taking into consideration the performance of the previous year of the auditor in compliance with the assessment criteria of the Company in terms of the auditor's qualifications, independence in performing duties, quality and standards of work, which are satisfactory and the auditor has possessed the qualifications in line with the Notification of the Securities and Exchange Commission and the Stock Exchange of Thailand (SET). The Audit Committee, therefore, had proposed to the Board of Director to nominate to Annual General Meeting to appointed EY Office Limited as auditor of Fortune Parts Industry Public Company Limited of 2014 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.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To Shareholders,

The Nomination and Remuneration Committee consists of three independent directors as follows:

- | | | |
|----------------|-------------|---|
| 1. Ph.D. Naris | Chaiyasoot | Chairman of Nomination and Remuneration Committee |
| 2. Mr. Anant | Gatepithaya | Director of Nomination and Remuneration |
| 3. Mr. Pumipat | Sinachareon | Director of Nomination and Remuneration |

The Nomination and Remuneration Committee has performed its assigned duties carefully, honestly and reasonably by studying more information regarding concerned matters. It has also encouraged members to express their opinions freely and creatively in accordance with the duties and responsibilities specified in the Charter of the Nomination and Remuneration Committee. Its duties also cover the determination of remuneration. In 2014, this Committee had conducted 2 meetings to select and nominate suitable candidates for election as new directors of the Board replacing those retired by rotation and submitted the executive summary to the Board of Directors, which must be done on a continual basis. Important tasks of this Committee in 2014 are as follows:

1. Nomination of Directors

The Committee had reviewed and nominated candidates with suitable qualifications in accordance with the provisions of the law, whereby such nominated persons must not possess prohibited characteristics according to the requirements and good governance principles of the Company. After that, the results had been proposed to the Board of Directors and to the Annual General Meeting of the shareholders of 2014, for election on an individual basis. The Nomination and Remuneration Committee had also invited shareholders to nominate suitable persons to be selected as candidates for election but there was no nomination from shareholders. The Nomination and Remuneration Committee had therefore reviewed qualifications and suitability of the retired directors and found them qualified and suitable and submitted recommendation to the Board for proposing to the meeting of shareholders. The candidates were elected on an individual basis for another term, details were published in the Annual Report for auditability and transparency.

2. Determination of Remuneration

During the year, there was 2 meeting of the Committee to review and approve remunerations for senior executives as well as recommending remuneration for Members of the Board of Directors. Consideration was based on individual performance versus target and achievements. In addition, an arrangement was made for all directors as well as members of the sub-committees to perform self-assessment on group basis and individual basis. Consideration for remuneration was based on directors' responsibilities, size of the business, economic environment which reflected an overall performance of the company as well as comparison with those in the same industry. Remuneration for Directors was published on the Annual Report for transparency and auditability. In addition, the Nomination and Remuneration Committee had reviewed many other issues in accordance with their duty and responsibilities for presentation to the Board for approval. The Committee has also reviewed the Committee's Charter and found that the current version is still appropriate. The Committee has proposed to the Board for inclusion in the company policy the skill matrix of the individual candidates when searching for qualified individual for nomination to the shareholders meeting for election. All members of the Nomination and Remuneration Committee have upheld the importance of attending the meeting, expressing opinion as well as searching for information that would be useful for the development of the nomination and remuneration for all concerned fairly and appropriately and adhering to the principle of good corporate governance that is auditable in every step so that each and every suggestion or recommendation can be used as tools for the Nomination and Remuneration Committee in performing their duty with confidence and trustworthiness.



Ph.D. Naris Chaiyasoot

Chairman of the Nomination and Remuneration Committee

Fortune Parts Industry Public Company Limited

REPORT OF RISK MANAGEMENT COMMITTEE

To Shareholders,

The Risk Management Committee consists of executive directors, independent director and management who have experiences, knowledge and understanding of business operations and risk management. There are altogether 11 members as follows:

1. Mr.Anant	Gatepithaya	Chairman of the Risk Management Committee
2. Mr.Sompol	Tanadumrongsak	Director of Risk Management
3. Mrs.Nussara	Tanadumrongsak	Director of Risk Management
4. Mr.Virithpol	Muennara	Director of Risk Management
5. Ms.Jaruwan	Chatwichian	Director of Risk Management
6. Mr.Sarayuht	Ouybuan	Director of Risk Management
7. Mr.Sungvien	Meethong	Director of Risk Management
8. Mr.Thongchai	Wiwong	Director of Risk Management
9. Ms. Nattiya	Klinchan	Director of Risk Management
10. Mr.Prajak	Sripha	Director of Risk Management
11. Mr.Natthawat	Rothkaew	Director of Risk Management

Performance of Risk Management Committee in 2014

The Board of Directors has assigned the Risk Management Committee to perform its duties and responsibilities as specified in the Risk Management Committee Charter. In 2014, the Risk Management Committee held 1 meeting with a quorum. Its duties consist of the prescription and review of the organizations risk management framework, policy, organizations risk management process and the charter of the Risk Management Committee in order to be suitable for efficient business operations and in accordance with international standards. It also provides recommendations and guidelines for risk management in accordance with the strategic direction and business plan. It also support the continual development of risk management at all levels across the organization in order to create corporate culture and to ensure effective risk management and the management of important risks to be at an acceptable level. In addition, monitoring, evaluation and report on results of risk management has already been made to the Board of Directors through the Audit Committee, which includes credit risk, operation risk, strategic risk, liquidity risk and other risks such as legal risk, corruption risk and regulatory risk, etc. The Risk Management Committee has performed the duties in the past year to ensure that the risk management has been sufficient, appropriate and acceptable to the Company.



Mr. Anant Gatepithaya

Chairman of the Risk Management Committee

Fortune Parts Industry Public Company Limited

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

BOARD OF DIRECTOR, MANAGEMENT AND COMPANY SECRETARY

1. Mr.Por Tanadumrongsak Age 87 Years

Chairman of the Board of Director

Education

-None-

Traing Program

-None-

Work Experience during 5 years

- | | | |
|----------------|--|------------------------------|
| - 1991-Present | Chairman of the Board of Director
Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 1987-Present | Director SCG (Thailand) Co.,Ltd. | Valves and Gas Pressure Head |
| - 1994-Present | Director Siam City Group Development Co., Ltd. | Property Development |

% of Total Share : 3.61

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

2. Mr.Sangcharean Tanadumrongsak Age 59 Years

Vice Chairman

Education

Bachelor of Living Design, Chiyoda Institute of Technology, Japan

Traing Program

Director Accreditation Program (DAP) # 19/2004

Work Experience during 5 years

- | | | |
|------------------|--|------------------------------|
| - 1991 - Present | Vice Chairman
Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 1979 - Present | Director Super Central Gas Co.,Ltd. | Gas System Installation |
| - 1987 - Present | Director SCG (Thailand) Co.,Ltd. | Valves and Gas Pressure Head |
| - 1988 - Present | Director SCG Industry Co.,Ltd. | Automotive Parts Industry |
| - 1994 - Present | Director Siam City Group Development Co., Ltd. | Property Development |
| - 2011 - Present | Director S.C.G Hathairat Co., Ltd. | Oil & LPG |

% of Total Share : Nil

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

3. Mr.Sompol Tanadumrongsak Age 48 Years

Managing Director/ Chairman of Executive Committee/ Director of Risk Management

Education

- Bachelor of Finance & Banking, Chulalongkorn University
- Master of Finance and Management Information System, Houston University, Texas, U.S.A
- Scholarship of University of Houston, Clayton Fund, Scholarship, Fall 1991

Training Program

- Director Accreditation Program (DAP) # 93/2011 Thai Institute of Directors (IOD)
- ACEP 12/2014 Thai Institute of Directors (IOD)
- Anti-Corruption : The Practice Guideline (ACPG) 12/2014 Thai Institute of Directors (IOD)
- Anti-Corruption for Executive Program (ACEP) 12/2014 Thai Institute of Directors (IOD)
- The Securities and Exchange Commission Capital Market Leader Program CMLP) SASIN & SEC
- Financial Instrument for Directors : FID in 2014
- Guest Speaker ST.664 (Business Vision) # 1/2014 The MBA in Business Economics
- Faculty of Economics, Thammasat University
- SET's IR Advisory Program 2014

Work Experience during 5 years

- | | | |
|------------------|--|---|
| - 1993 - Present | Managing Director | |
| | Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 1988 - Present | Director SCG Industry Co., Ltd. | Automotive Parts Industry |
| - 1994 - Present | Director Siam City Group Development Co., Ltd. | Property Development |
| - 1996 - Present | Director SCG (Thailand) Co., Ltd. | Valves and Gas Pressure Head |
| - 2009 - Present | Vice President | Thai Auto-Parts Manufacturers Association (TAPMA) |
| - 2011 - Present | Director S.C.G. Hathairat Co., Ltd. | Oil & LPG |

% of Total Share : 33.46

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

4. Mrs.Raweewan Mathong Age 85 Years

Director

Education

-None-

Traing Program

-None-

Work Experience during 5 years

- | | | |
|------------------|--|------------------------------|
| - 1991 - Present | Director | |
| | Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 1979 - Present | Director Super Central Gas Co.,Ltd. | Gas System Installation |
| - 1987- Present | Director SCG (Thailand) Co.,Ltd. | Valves and Gas Pressure Head |
| - 1988 - Present | Director SCG Industry Co., Ltd. | Automotive Parts Industry |
| - 1994 - Present | Director Siam City Group Development Co., Ltd. | Property Development |

% of Total Share : 3.61

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

5. Mr.Yanyongchai Tanadumrongsak Age 54 Years

Director

Education

Bachelor of Engineering, University of Illinois, U.S.A.

Traing Program

Director Accreditation Program (DAP) #19/2004 Thai Institute of Directors (IOD)

Work Experience during 5 years

- | | | |
|------------------|--|------------------------------|
| - 1991 - Present | Director | |
| | Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 1979 - Present | Director Super Central Gas Co.,Ltd. | Gas System Installation |
| - 1987- Present | Director SCG (Thailand) Co.,Ltd. | Valves and Gas Pressure Head |
| - 1988 - Present | Director SCG Industry Co., Ltd. | Automotive Parts Industry |
| - 1994 - Present | Director Siam City Group Development Co., Ltd. | Property Development |
| - 2011 - Present | Director S.C.G. Hathairat Co., Ltd. | Oil & LPG |

% of Total Share : 7.22

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

6. Mr.Somkit Tanadumrongsak Age 52 Years

Director

Education

- Bachelor of Engineering, University of New South Wales, Australia
- Master of Computer Engineering, Assumption University

Training Program

Director Accreditation Program (DAP) # 93/2011 Thai Institute of Directors (IOD)

Work Experience during 5 years

- | | | |
|------------------|---|------------------------------|
| - 1991 - Present | Director
Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 1979 - Present | Director Super Central Gas Co.,Ltd. | Gas System Installation |
| - 1987- Present | Director SCG (Thailand) Co.,Ltd. | Valves and Gas Pressure Head |
| - 1988 - Present | Director SCG Industry Co., Ltd. | Automotive Parts Industry |
| - 1994 - Present | Director Siam City Group Development Co., Ltd. | Property Development |
| - 2007 - Present | Director K-Mart Service Co., Ltd. | Oil & LPG |
| - 2011 - Present | Director S.C.G. Hathairat Co., Ltd. | Oil & LPG |

% of Total Share : 7.22

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

7. Ph.D.Naris Tanadumrongsak Age 60 Years

Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee

Education

- Bachelor in Economics (Hon.), Thammasat University
- Master of Economics, Thammasat University
- Ph.D Economics, University of Hawaii

Scholarship and Honours

- Bhumipol Award for Academic Excellence
- University Development Council Scholarship
- East West Center Center Scholarship
- Distinguished Alumni, Saint-Gabriel College
- Distinguished Alumni, Thammasat University
- Institute of Developing Economies, Japan

Training Program

- Certificate in Population Studies, University of Hawaii 1977
- Certificate, National Defense College 1994
- Certificate, Capital Market Academy 2007
- Certificate, King Prajadhipok's Institute 2010

Work Experience during 5 years

- | | | |
|------------------|---|---------------------------|
| - 2012 - Present | Director/ Chairman of the Audit Committee
Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 2014 - Present | Chairman, Export-Import Bank of Thailand
Board member, Bangkok Commercial Asset Management Co., Ltd. | |
| - 2013 | Member of Selection Committee for Selecting Chairman Bank of Thailand Board | |
| - 2013 - Present | Advisor, Chairman of Thammasat Faculty of Senate | |

7. Ph.D.Naris Tanadumrongsak (Con't)

Work Experience during 5 years (Con't)

- Director-General, The Treasury Department, Ministry of Finance
- Deputy Permanent Secretary, Ministry of Finance
- Chief Inspector-General, Ministry of Finance
- Inspector-General, Ministry of Finance
- Director-General, Fiscal Policy Office, Ministry of Finance
- Rector, Thammasat University
- Director, College of Innovative Education
- Dean, Faculty of Economics, Thammasat University
- Vice Rector for Planning and Development, Thammasat University
- Chairman of Thammasat Faculty Senate
- Board member, Thai Oil Public Company Limited
- Board member, Capital Market Supervisory Board (CMSB)
- Board member, National Economic and Social Development Board
- Board member, Government Pension Fund
- Board member, Bank of Thailand
- Board member, Financial Institution Policy Committee
- Board member, Listed Company Development Sub-Committee
- Board member, Thai Capital Market Development Committee
- Board member, Thai Research Fund Committee
- Board member, PTT Public Company Limited
- Acting Chairman, PTT Public Company Limited
- Board member, Communications Authority of Thailand
- Chairman, Industrial Estate Authority of Thailand
- Board member, Petroleum Authority of Thailand
- Board member, Government Savings Bank
- Vice Chairman, SME Institute
- Board member, Attorney General Council
- President, University Sports Board of Thailand
- Chairman, Secondary Mortgage Corporation
- Board member, Government Pension Fund
- Board member, Council of State
- Board member, Neighboring Countries Economic Development Cooperation Agency (Public Organization)
- Board member, Anti-Money Laundering Office
- Chairman of Management Board, Thai Asset Management Corporation
- Board member, Bank of Thailand
- Board member, Thai Asset Management Corporation
- Advisor, The Stock Exchange of Thailand
- Board Member, Brain-Based Learning-Institute
- Vice President, Saint Gabriel College Alumni Association
- Chairman, Small Industry Credit Guarantee Corporation

7. Ph.D.Naris Tanadumrongsak (Con't)

Work Experience during 5 years (Con't)

- President, Thammasat Economics Association
- Chairman, Government Housing Bank
- President, Thammasat Association
- Spokesperson, Ministry of Finance
- Chairman, Export-Import Bank of Thailand
- Board member, Thai Prosperity Advisory Company Limited
- Board member, PTT Exploration & Production Public Co. Ltd.
- Chairman, National Economics Research Council
- Chairman, SME bank
- Chairman, Dhanarak Asset Development Co.,Ltd.
- President, East West Center and Hawaii Alumni Group of Thailand
- President, Thailand Special Olympics
- Chairman, Deposit Protection Agency
- Board member, Ananthamahidol Foundation, Thammasat Division
- Board member, Thammasat University Council
- Board member, Faculty of Economics, Thammasat University
- President, Thewphaingarm Parent and Teacher Association

% of Total Share : Nil

Directorship held in other company : 1 Company

History Offence for the past 10 years : Nil

8. Mr.Anant Gatepithaya Age 64 Years

Director/Audit Committee/ the Nomination and Remuneration Committee/ Chairman of the Risk Management Committee

Education

- Bachelor of Statistics, Chulalongkorn University
- Master of Business Administration, Thammasat University
- Master of Management, Chulalongkorn University

Traing Program

- DCP : Directors Certification Program # 17/2002 Thai Institute of Directors (IOD)
- ACP : Audit Committee Program # 2/2004 Thai Institute of Directors (IOD)
- DAP : Director Accreditation Program # 7/2004 Thai Institute of Directors (IOD)
- QFR : Improving the Quality of Financial Reporting # 1/2006 Thai Institute of Directors (IOD)
- HRP : How to Develop a Risk Management Plan # 2/2012 Thai Institute of Directors (IOD)
- RMP : Risk Management Committee Program # 1/2013 Thai Institute of Directors (IOD)
- AACP : Advanced Audit Committee Program (AACP) Class 17/2014 Thai Institute of Directors (IOD)
- R-Forum : "Director Nomination Issues and Trend" # 1/2013
- DTT: Personal Financial Planning Workshop for Directors # 1/2013
- AGM : "Integrity Pact Key Measures of the Fix Corruption"# 1/2013
- NDC : The 2nd National Director Conference 2013 "Board Leadership Evolution" # 1/2013
- SE2 : "Risk Resilience: How the company's directors should deal with the issues of - Enterprise Risk Management?" # 2/2013
- SE3 : CNBC Summit: Myanmar # 3/2013
- DBT : "The Governance Role of the Board in the Preparation and Response to - Unforeseen Crisis and the Oversight of (Foreign) Subsidiaries" # 1/2013

Work Experience during 5 years

- 2012 - Present General Director of Risk Management Committee Thai Listed Companies Association
- 2008 Present Director/Audit Committee Zeer Property Public Company Limited
- 2007 - Present Director/Audit Committee Raja Ferry Port Public Company Limited Hydrotek Public Company Limited
- 2004 - Present Director/Audit Committee Fortune Parts Industry Public Company Limited CMO Public Company Limited
- 2001 - Present Director/Audit Committee/ Chairman of the Risk Management Committee Supalai Public Company Limited
- 2000 - Present Chairman The Brilliant Solution Company Limited

% of Total Share : Nil

Directorship held in other listed company : 8 Companies

Directorship held in other company : 1 Company

History Offence for the past 10 years : Nil

9. Mr.Pumipat Sinacharoen Age 45 Years

Director/Audit Committee/ the Nomination and Remuneration Committee/ Chairman of the Risk Management Committee

Education

- Bachelor of Economics, Thammasat University
- Master of Business Administration, The American Thunderbird School of Global Management, USA.

Traing Program

- Director Accreditation Program (DAP) # 36/2005 Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) # 27/2008 Thai Institute of Directors (IOD)

Work Experience during 5 years

- 2013 - Present Deputy Director of Human Resource AP (Thailand) Public Company Limited
- 2005 - Present Director and CEO Bangkok City Smart Co., Ltd.
 Director/Audit Committee
 Fortune Parts Industry Public Company Limited Automotive Parts Industry
- 2009 - 2013 Assistant Director of Financial & Accounting AP (Thailand) Public Company Limited
- 2007 - 2013 Director AP (Thailand) Public Company Limited

% of Total Share : Nil

Directorship held in other listed company : 4 Companies

History Offence for the past 10 years : Nil

10. Mrs. Nussara Tanadumrongsak Age 46 Years

Vice Chairman of Executive Committee/Deputy Managing Director/ Director of Risk Management

Education

- Bachelor of Arts, Songklanakarin University
- Master of Business Administration in Management, Eastern Asia University

Traing Program

- Director Accreditation Program (DAP) SEC/2013 Thai Institute of Directors (IOD)
- Thammasat Leadership Program # 4
- Social Enterprise for Executive, Asian Institute of Technology
- Anti-Corruption for Executive Program (ACEP)12/2014 Thai Institute of Directors (IOD)
- Financial Instrument for Directors : FID in 2014
- SET's IR Advisory Program 2014

Work Experience during 5 years.

- 1994 - Present Vice Chairman of Executive Committee/Deputy Managing Director
Fortune Parts Industry Public Company Limited Automotive Parts Industry

% of Total Share : 0.05

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

11. Mr.Sarayuht Ouybuan Age 46 Years

Executive Committee/ Quality Manager/ Director of Risk Management

Education

- Bachelor of Law, Ramkhamhaeng University
- Master of Business Administration in Management, Eastern Asia University

Traing Program

- Social Enterprise for Executive, Asian Institute of Technology

Work Experience during 5 years

- 1997 - Present Executive Committee/ Quality Manager
Fortune Parts Industry Public Company Limited Automotive Parts Industry

% of Total Share : 0.01

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

12. Mr. Sungvien Meethong Age 46 Years

Executive Committee/Production Manager/ Director of Risk Management

Education

- Bachelor of Mechanical Engineering, Technology MahanakornUniversity
- Master of Business Administration in Management, Eastern Asia University

Traing Program

- Social Enterprise for Executive, Asian Institute of Technology
- SET's IR Advisory Program 2014
- Management Responsibility for Sustainable Development

Work Experience during 5 years

- | | | |
|------------------|---|---------------------------|
| - 2008 - Present | Executive Committee/Production Manager
Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 2006 - 2008 | Production Manager Takahashi Co.,Ltd. | Automotive Parts Industry |

% of Total Share : Nil

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

13. Mr.Thongchai Wiwong Age 40 Years

Executive Committee/ Engineering Manager/ Director of Risk Management

Education

- Bachelor of Mechanical Engineering, Technology MahanakornUniversity
- Master of Business Administration in Management, Eastern Asia University

Traing Program

SET's IR Advisory Program 2014

Work Experience during 5 years

- | | | |
|------------------|---|---------------------------|
| - 2001 - Present | Executive Committee/ Quality Manager
Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
|------------------|---|---------------------------|

% of Total Share : 0.10

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

14. Mr. Virithpol Muennara Age 52 Years

Executive Committee/Human Resource Manager/ Director of Risk Management

Education

- Bachelor of Law, Ramkhamhaeng University
- Master of Labour Management, Krirk University

Training Program

- Director Accreditation Program (DAP) SEC/2013 Thai Institute of Directors (IOD)
- Social Enterprise for Executive, Asian Institute of Technology
- Anti-Corruption : The Practice Guideline (ACPG)12/2014 Thai Institute of Directors (IOD)
- Workshop : CSR Strategy for Corporate Sustainability
- CSR Report

Work Experience during 5 years

- | | | |
|------------------|--|---------------------------|
| - 2012 - Present | Executive Committee/ Human Resource Manager
Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
| - 2011 - 2012 | General Manager Four Star (Thailand) Co.,Ltd. | Textile Industry |
| - 2008 - 2009 | General Manager Tokai Co.,Ltd. | Tire Industry |

% of Total Share : Nil

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

15. Ms.Jaruwan Chatwichian Age 47 Years

Executive Committee/ Finance & Account Manager/ Company Secretary/ Director of Risk Management

Education

- Bachelor of Accounting, Ramkhamhaeng University
- Master of Business Administration in Finance, International Business, Eastern Asia University

Training Program

- Company Secretary Program (CSP) # 44/2012 Thai Institute of Directors (IOD)
- Executive Minute Talking (EMT) # 22/2012 Thai Institute of Directors (IOD)
- Internal Audit Operation 1 # 42/2009 Federation of Accounting Profession
- Anti-Corruption : The Practice Guideline (ACPG)12/2014 Thai Institute of Directors (IOD)
- Company Reporting Program (CRP) # 9/2014 Thai Institute of Directors (IOD)
- Board Reporting Program (BRP) # 14/2012 Thai Institute of Directors (IOD)
- Financial Instrument for Directors : FID Year 2014
- Lecture "Accounting System and Internal Control "The New Shares Proud of the Province" # 2
- SET's IR Advisory Program 2014
- Workshop : CSR Strategy for Corporate Sustainability
- Basic Finance for IR
- Stock Valuation for IR
- Management Responsibility for Sustainable Development
- CSR Report

Work Experience during 5 years

- | | | |
|------------------|--|---------------------------|
| - 2003 - Present | Executive Committee/ Finance & Account Manager/ Company Secretary
Fortune Parts Industry Public Company Limited | Automotive Parts Industry |
|------------------|--|---------------------------|

% of Total Share : 0.00

Directorship held in other listed company : Nil

History Offence for the past 10 years : Nil

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
Facimile	: 0-2993-4982
Web Site	: http://www.fpiautoparts.com
Registered Capital	: THB320,000,000 with a par value of THB0.25
Paid-up Capital	: THB300,595,544 common share with a par value of THB0.25
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
Facimile	: 0-2654-5642
Web Site	: www.tsd.or.th
Auditor	: EY Office Limited
Address	: 33 rd Floor, Lake Rajada Office Complex, 193/136-137, Ratjadapisek Road, Klongtoey, Bangkok 10110 G.P.O.Box 1047, Bangkok 10110
Telephone	: 0-2264-9090
Facimile	: 0-2264-0789-90
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 10500
Telephone	: 0-2233-0055, 0-2233-0068
Facimile	: 0-2236-6681
Web Site	: http://www.dejudomlaw.com

2K TYPE
Top Coat
Under Coat
Clear Coat

Delta-E
Color Meter

ATOTECH
Germany

45 Micron of Thickness
2000 mm. Max size.

Cr⁺³ & Cr⁺⁶

Technology from

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 300,595,544 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 square 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

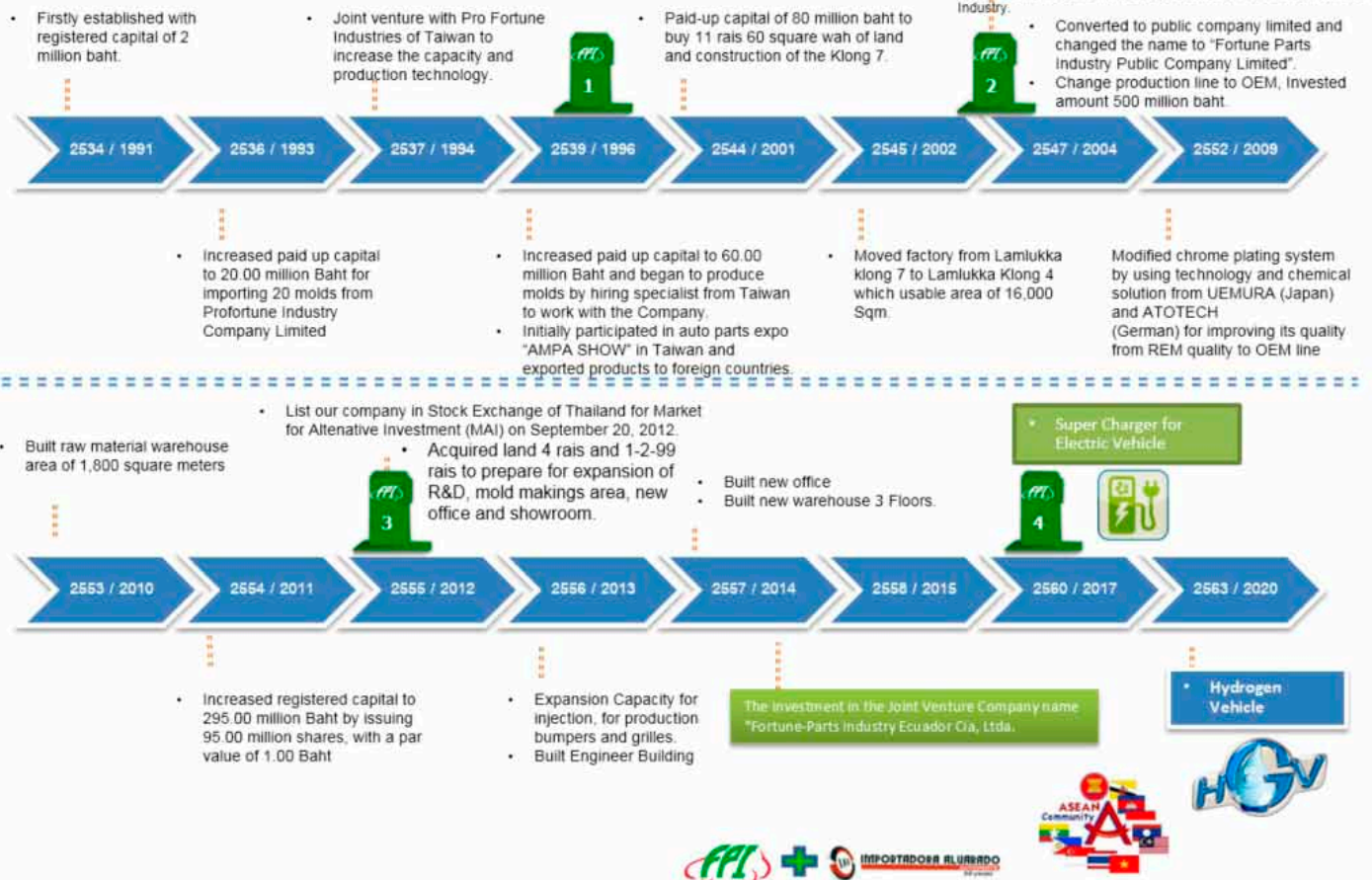
- Built Engineer Building for expansion capacity of injection mold 30%
- Expansion Capacity for injection, for production bumpers and grilles.
- Expansion Vacuum Plating Process to accommodate growth in production lamps.
- Built new office, progress 80% - Built new warehouse, progresses more than 20%
- Capital increase of 25 million Baht, from 295 million Baht to 320 million Baht by issuing new ordinary shares of 25 million shares at par value of 1.00 Baht to support the conversion of Convertible Debenture Bond.

2014

- Built new office, progress about 100%
- Built new warehouse, progresses more than 80%
- The issued and paid-up share capital from 295 million Baht to 301 million Baht at par value 1.00 Baht due to foreign fund conversion of Convertibel Debentures into common stock.
- Change par value of 1.00 Baht per share to the new par value of 0.25 Baht per share with registered share 320,000,000 share to 1,280,000,000 ordinary share and paid-up capital 300,595,544 share to 1,202,382,176 share.
- Amendment of Clause 4 of the Memorandum of Association of the Company by cancelling the existing provision and replacing it with the following provision, for consistency with the said change of the nominal par value of the Company's shares.
- The investment in the Joint Venture Company name "Fortune-Parts Industry Ecuador Cia, Ltda. for 45% of the registered capital USD500,000 representing the invest of USD225,000. Located in Ecuador. Investment objectives have accommodated future growth related to automotive parts and accessories in South America.

Story Line & Milestone

Paid up capital of 200 million baht for the expansion. Restructuring of Shareholders Repurchase of Pro Fortune Istanbul Industry.



TYPE OF BUSINESS

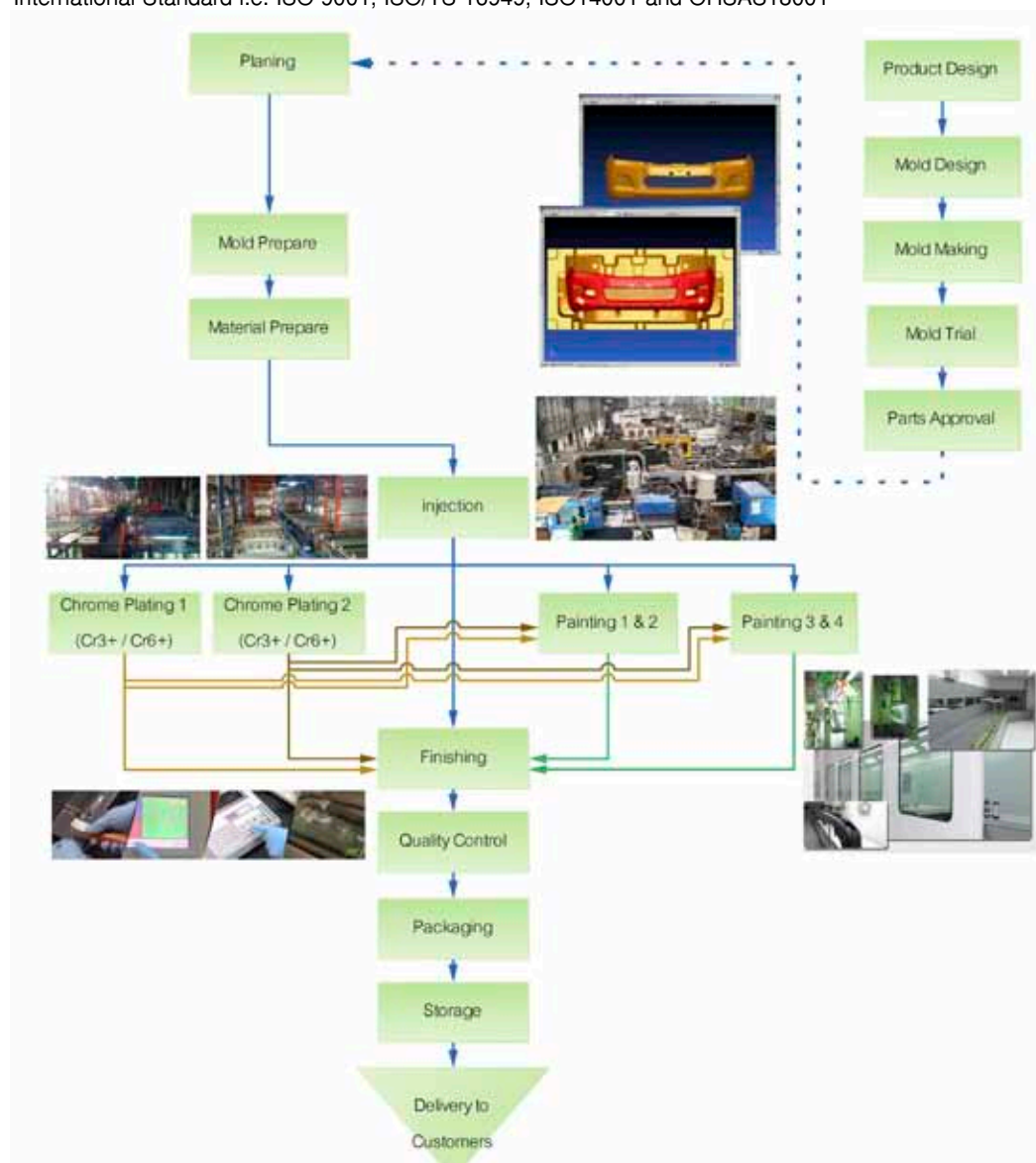
Fortune Parts Industry Public Company Limited (“the Company”) is our capability within the industry of plastic mold design and manufacturing has earned an excellent reputation. The success and growth during the pass years has clearly proved that we have accomplished our goal... Being the most experienced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

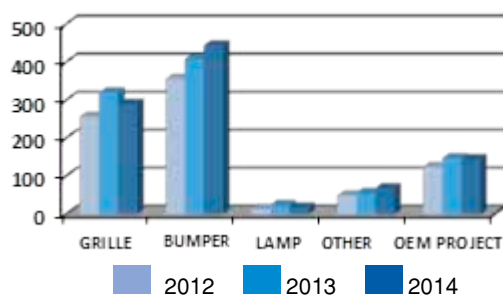


1. Products Produced by FPI	2. Trading Products	3.Services
<p>1.1 REM (Replacement Equipment)</p> 	<p>2.1 REM (Replacement Equipment)</p> 	
<p>1.2 OEM (Original Equipment)</p> 	<p>2.2 OEM (Original Equipment)</p> 	<ol style="list-style-type: none"> 1. Mold Design & Making 2. Plastic Injection Molding 3. Plastic Plating 4. Plastic Painting

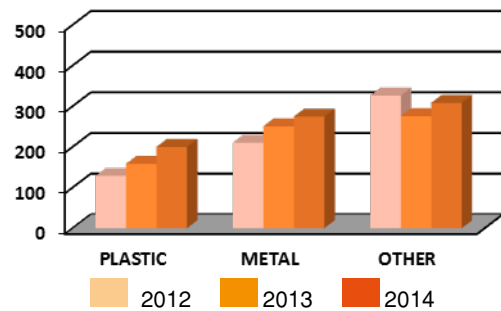
INCOME STRUCTURE

Revenue Classification	2012		2013		2014	
	MB	%	MB	%	MB	%
Products Produced by FPI						
1. Replacement Equipment Manufacturer (REM) Plastic Parts						
- Grille and Head Light Door	257.22	16.22	320.74	18.63	290.82	15.81
- Bumper and Valance Panel	356.39	22.47	409.31	23.77	444.58	24.16
- Auto Lamps	13.97	0.88	24.85	1.44	17.63	0.96
- Other Replacement Parts	49.20	3.10	56.52	3.28	69.25	3.76
2. Original Equipment Manufacturer (OEM) Plastic Parts	124.76	7.87	147.48	8.56	144.79	7.87
Total Revenue from Products Produced by FPI	801.54	50.54	958.90	55.69	967.07	52.55
Trading Products						
1. Replacement Equipment Manufacturer (REM) Parts						
- Replacement Equipment Manufacturer Plastic Parts	128.35	8.09	158.05	9.18	200.02	10.87
- Replacement Equipment Manufacturer Metal Parts	209.94	13.24	250.52	14.55	274.41	14.91
- Other Replacement Equipment Manufacturer Parts	31.07	1.96	31.27	1.82	85.38	4.64
2. Original Equipment Manufacturer (OEM) Plastic Parts	294.96	18.60	244.36	14.19	222.76	12.10
Total Revenues from Trading Products	664.32	41.89	684.20	39.73	782.57	42.52
Revenues from Other Products	7.09	0.45	5.44	0.32	7.16	0.39
Total Revenues from Sales	1,472.96	92.88	1,648.54	95.74	1,756.80	95.46
Revenues from Services	27.25	1.72	11.84	0.69	6.17	0.34
Other Revenues ¹⁾	85.65	5.40	61.58	3.57	77.43	4.20
Total Revenues	1,585.86	100.00	1,721.96	100.00	1,840.40	100

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

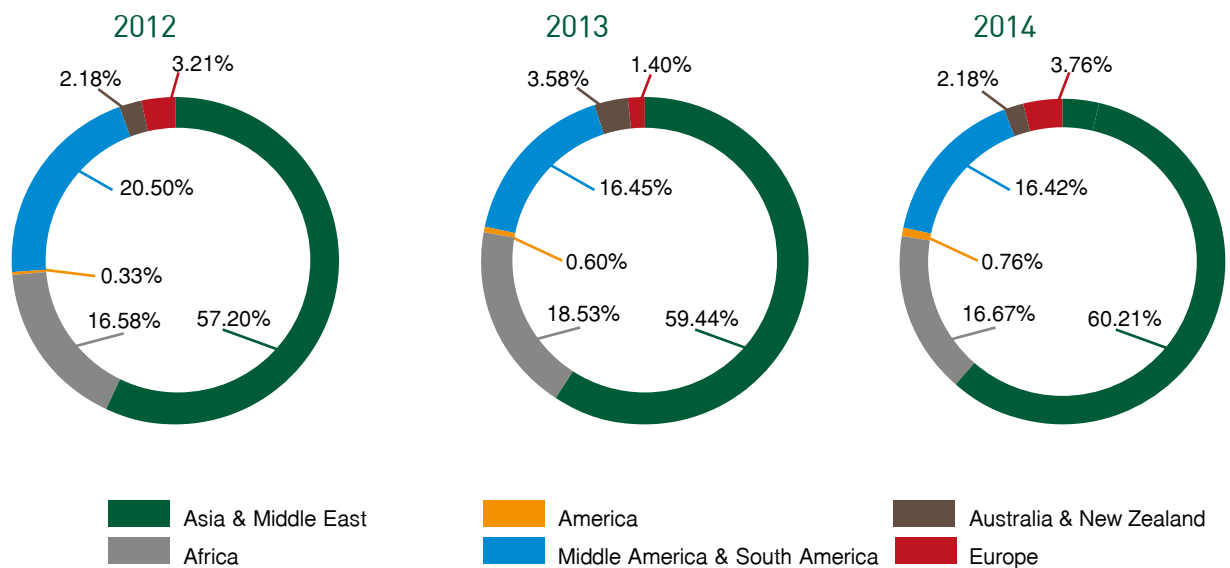


Revenue from FPI's Products

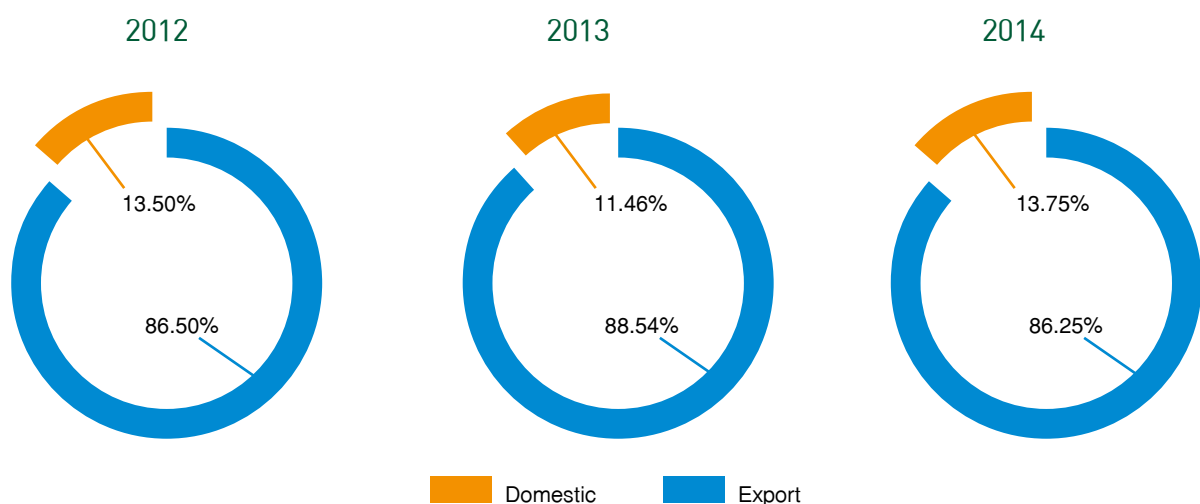


Revenue from Trading Products

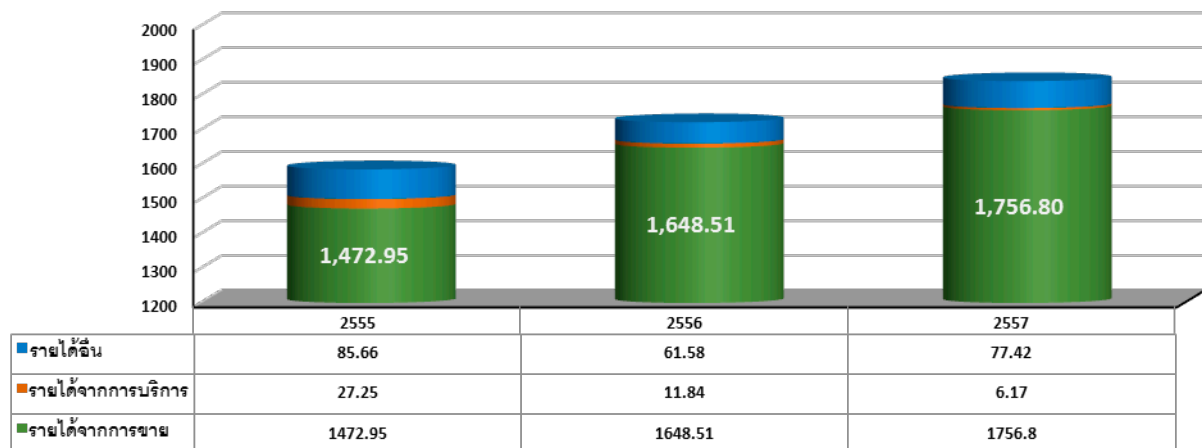
Portion Sales by Zone (%)



Sale Ratis : Domestic & Export



Total Revenue

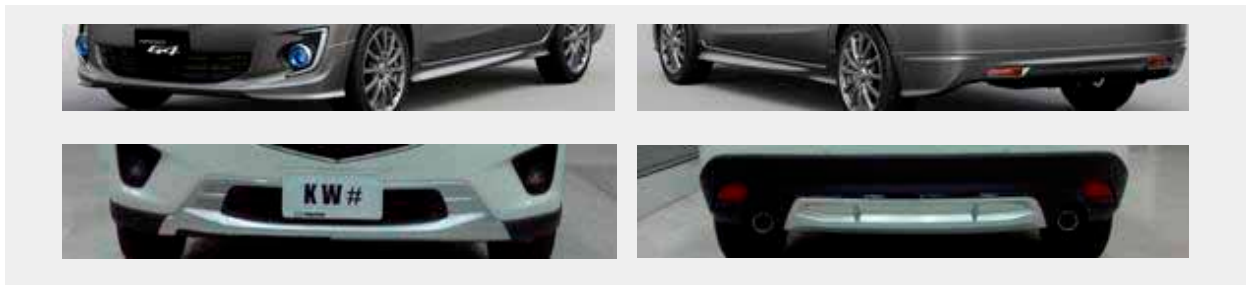


FUTURE PLANS

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 squre meters from 24,000 square maters, total 72,000 square meters or increase 50%.

3. Seeking new partners both of domestic and aboard.
4. Expansion production lines both of OEM and REM.
5. Investment in new models, tooling and accessories parts.

INDUSTRY AND COMPETITION

The Company is a plastic automotive manufacturer supporting for both OEM and REM markets as well as the center of automotive spare parts. The Product range of over 75,000 items to meet the needs of its customer services. In REM industry, the Company is one of the leaders in the market because of the Company in the automotive parts industry more than 24 years to have more than 1,800 molds. Customer base increasing every year, which can supplies to over 24 countries worldwide, including competition in the market. REM is limited. While competitors enter into new lines due to high investments. At the same time, each manufacturer has a specific market segment (Niche Market) such as parts manufacturers in Europe, Peugeot, Renault, Citroen, Seat and Volkswagen. The manufactures in USA to produce Ford, General Motors, Chrysler. For Japan manufacturers, it's only manufacturer in Taiwan, China, Malaysia and Thailand. The Company is advantages products in Japanese pick-up markets such as Toyota, Mazda, Isuzu, Mitsubishi, Suzuki and Nissan, since Thailand is the biggest one-ton pick up production base. Moreover, the Company has a lower production cost than Taiwan who is its main competitor. Products from China and Malaysia mostly will be produced for their domestic markets. Even though, China products have lower price, but the quality of the Company's product is better than China. Thus, customers still purchase products from the Company except Africa market and old automotive model market over 10 years which have not prioritized on the quality of the product.

Moreover, the Company has policy to expand OEM production with its international production quality which consecutively receives acceptance from more automotive brands. Nowadays, the Company has produced for Mazda, Isuzu, Mitsubishi, Nissan, Suzuki, Land Rover, General Motor, and Toyota, including first tier and second tier automotive producers. Meanwhile, the Company has continually developed its products to increase the value of its products.

World Motor Vehicle Production Ranking in 2013

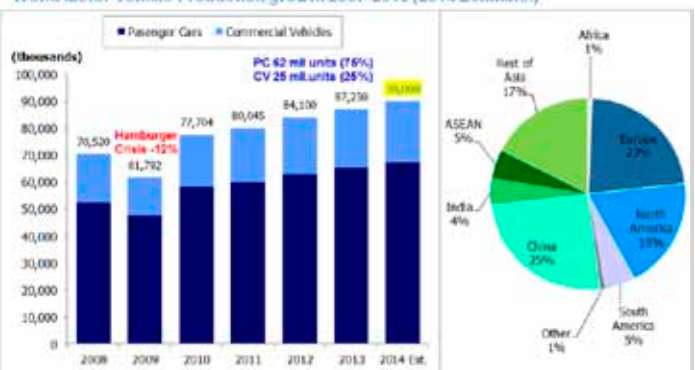


Source: FOURIN, analyzed by FAI

TOTAL PRODUCTION CAR 2013 (First Half)
TOTAL PRODUCTION CAR 2013 IN THAILAND
2,457,057 UNIT

Automotive Industry

World Motor Vehicle Production growth 2007-2013 (2014 Estimate.)

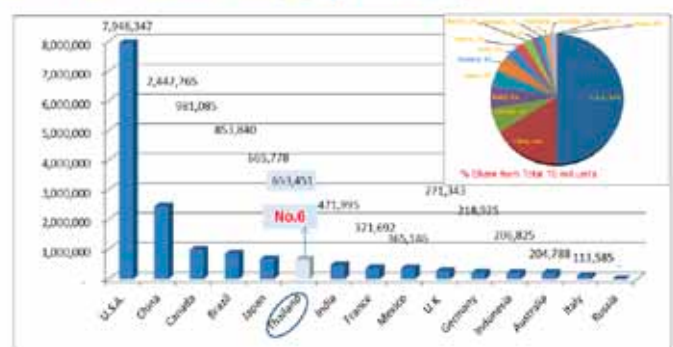


TOTAL PRODUCTION CAR
TOTAL CAR IN USE IN 2013 AROUND 1,100 M.UNIT

World Motor Vehicle Production Ranking of Light Trucks & Bus in 2013



World Motor Vehicle Sales Ranking of Light Trucks & Bus in 2013



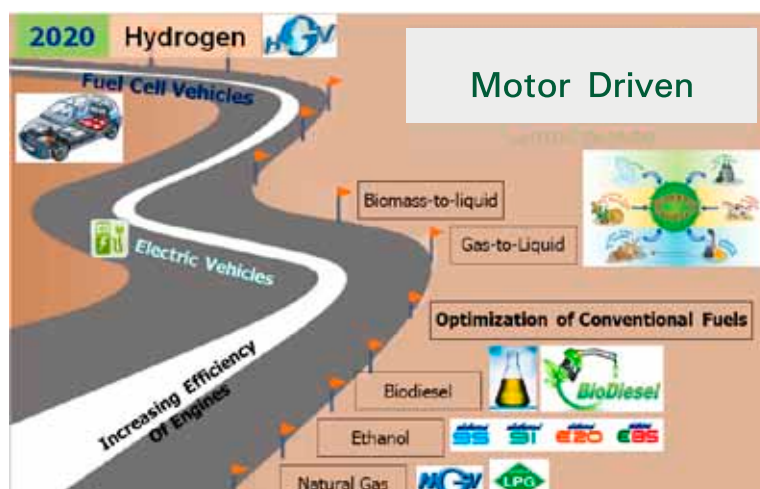
The world car production increased steadily from 70.52 million units in year 2008 to 80.09 million units in year 2011 and 84.14 million units in years 2012. Representing an increase of 5% and a forecast for year 2014, the volume of cars increased by 90 million units, representing 3.15% of the cars in year 2014 more than 1,100 million units.

In year 2013, China, United of America and Japan were the countries with the most production cars in the world, about 22 million units, 10.50 million units and 9.80 million units respectively. Thailand has produced cars about 2.46 million units, increased from 0.14% from year 2012 and moved from No.14 to No.9, surpassing Canada, Russia, Spain, France and UK.

Total production for the medium truck or pickup, Thailand ranked fifth, behind the United of America, China, Japan and Canada. Total sales was ranked sixth, behind the United of America, China, Canada, Brazil and Japan.



In Year 2014, Thailand has produced cars 1.88 million units, decrease from the year 2013 to 23.49% due to the end of the first car.



Changing technology automotive fuels from petroleum to renewable energy, fuel cells and hydrogen fuel, or to change the power system, from the engine to electric motor in the year 2020.

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 2012 and 2013, and 2014 the proportion of plastic purchased to total raw material purchased were 55.25% and 54.93% and 55.04% 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 86.50% and 88.54% and 86.25 from total sales of 2012 and 2013 and 2014. 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, 75% 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%-8% 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.

SECURITIES AND SHAREHOLDER INFORMATION

1. The Number of Registered and Paid-up Capital

At December 31, 2014 company has registered capital of 320,000,000 Baht (Three Hundred Twenty million Baht). It is divided into ordinary share 1,280,000,000 shares, registered share with paid-up 300,595,544 Baht (Three Hundred million Five Hundred Ninety Five Thousand Five Hundred Forty Four Baht) which divided into ordinary share 1,202,382,176 shares, par value 0.25 Baht (Twenty Five Stang).

2. Shareholders Structure

Shareholding structure as of December 31, 2014 as follows:

Shareholders name	No. of Shares	%
1. Mr.Sompol Tanadumrongsak	402,288,000	33.46%
2. Miss Atchara Tanadumrongsak	139,320,000	11.59%
3. Mr.Yanyongchai Tanadumrongsak	86,768,000	7.22%
4. Mr.Apsit Tanadumrongsak	86,768,000	7.22%
5. Mr.Somkit Tanadumrongsak	86,768,000	7.22%
6. Mrs.Raweevan Mathong	43,384,000	3.61%
7. Mr.Por Tanadumrongsak	43,384,000	3.61%
8. Miss Maleerat Tanadumrongsak	39,440,000	3.28%
9. Miss Patsuda Wongves	13,858,800	1.15%
10. Mr.Nopphon Muangsir	10,442,800	0.87%
11. Mr.Surapol Piyathitiworakul	9,800,000	0.82%
12. Mr.Veera Vongchamcharoen	7,800,000	0.65%
13. Others Shareholders	232,360,576	19.30%
Total	1,202,382,176	100.00%

3. The Shareholders of the Company and the spouse

+/-

Name	Year 2012	Year 2013	Year 2014*	
1. Mr. Sompol Tanadumrongsak	100,572,000	100,572,000	402,288,000	no changed
2. Mr. Somkit Tanadumrongsak	21,692,000	21,692,000	86,768,000	no changed
3. Mr. Yanyongchai Tanadumrongsak	21,692,000	21,692,000	86,768,000	no changed
4. Mr. Por Tanadumrongsak	10,846,000	10,846,000	43,384,000	no changed
5. Mrs. Raweevan Mathong	10,846,000	10,846,000	43,384,000	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	100,000	155,700	622,800	no changed

Remark : Year 2014, The Company was changed par value from 1.00 Baht to 0.25 Baht.

4. Interests of the directors, either directly or indirectly in any contract during the year 2014.

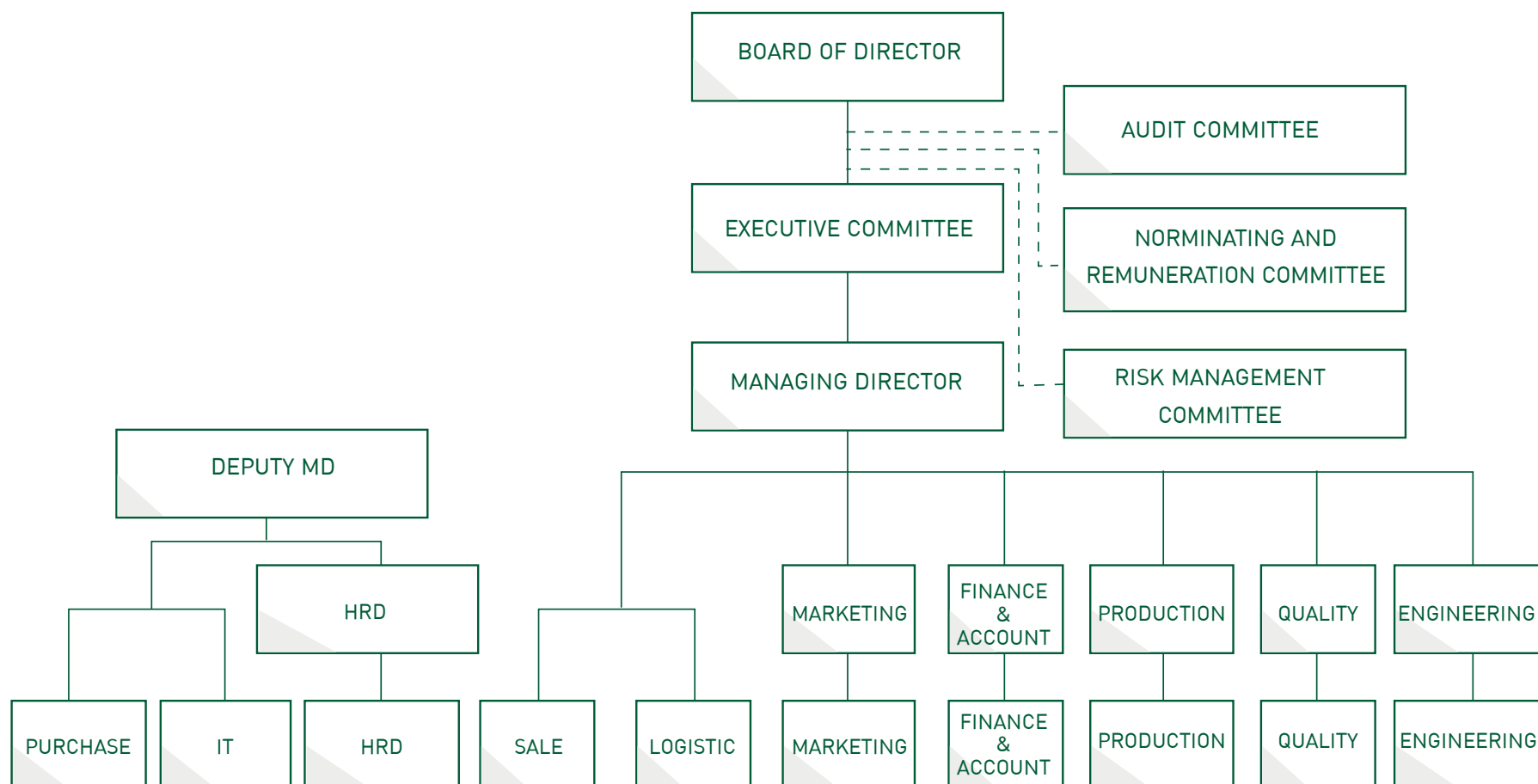
-None-

DIVIDEND POLICY

Dividend Policy of the Company

Company has policy of dividend payment to each shareholder in rate not less than 30% of net profit after deducted tax income and any reserved fund for all kind is defined in article of association and defined by law. Anyhow, dividend as mentioned may be altering depend on cash flow, investment plan, term and condition in any contract is bond company, including law limitation, necessary and any appropriate in the future. In addition, resolution of board of directors are approved payment dividend is proposed to approval from shareholder meeting, except interim dividend payment that board of director has authorized to payment and report to shareholder meeting in next time.

ORGANIZATION CHART



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 member 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, 2014 comprises 9 members as follow :

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. Raweevan 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 Jaruwan Chatwichian is the Board's Secretary and Company Secretary, Board of Director No. 5/2011 date 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, 2014 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; and
- (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 7 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.Sarayuht Ouybuan	Executive Committee
6.	Mr.Thongchai Wiwong	Executive Committee
7.	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, 2014 comprises 7 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.Saryuht Ouybuan	Quality Manager
6.	Mr.Thongchai Wiwong	Engineering Manager
7.	Ms.Jaruwan Chatwichian	Finance and Account Manager

6. Normination and Remuneration Committee

Normination and Remuneration Committee consists of 3 Directors, refered to The Company's Board of Director No. 3/2013 on 13 May 2013 was appointment of Normination and Remuneration Committee, 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 3 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

Mr.Sompol Tanadumrongsak is Secretary of Narmination and Remuneration Committee.

6.1 Normination and Remuneration Committee Charter

6.1.1. 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.

6.1.2 Composition and Qualifications of Normination and Remuneration Committee

6.2.1 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.

6.2.2 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.

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

6.2.4 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.

6.2.5 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 Boardof 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.

6.1.3 Scope of Duties

6.3.1 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.

6.3.2 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.

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

6.1.4 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.

6.1.5 Meeting

6.5.1 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.

6.5.2 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.

6.5.3 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.

6.5.4 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.

6.1.6 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.

6.1.7 Performance Evaluation

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

7. Risk Management Committee

The Risk Management Committee consists of 1 independent director served as Chairman of the Risk Management Committee, referred to The Company's Board of Director No. 7/2014 on 9 October 2014 was appointment of The Risk Management Committee who have experiences, knowledge and understanding of business operations and risk management, in order to be in line with the principles of Good Governance and for the Check and Balance. The Risk Management Committee Charter, Term of Office, List for the appointment of the Risk Management Committee as follows:

1.	Mr.Anant	Gatepithaya	Chairman of the Risk Management Committee
2.	Mr.Sompol	Tanadumrongsak	Director of Risk Management
3.	Mrs.Nussara	Tanadumrongsak	Director of Risk Management
4.	Mr.Virithpol	Muennara	Director of Risk Management
5.	Ms.Jaruwan	Chatwichian	Director of Risk Management
6.	Mr.Sarayut	Ouybuan	Director of Risk Management
7.	Mr.Sungvien	Meethong	Director of Risk Management

8.	Mr.Thongchai	Wiwong	Director of Risk Management
9.	Ms. Nattiya	Klinchan	Director of Risk Management
10.	Mr.Prajak	Sripha	Director of Risk Management
11.	Mr.Natthawat	Rothkaew	Director of Risk Management

The Risk Management Committee Charter

7.1 Objective

The Board of Directors of Fortune Parts Industry Public Company Limited attaches importance to Good Governance and has therefore appointed the Risk Management Committee in order to be in line with the principles of Good Governance and for the Check and Balance. The risk management for the organization, including overseeing the risk management system process, to minimize the impact on the Company's business. They have defined the scope of duties and responsibilities so that the committee can perform their duties effectively.

7.2 Composition of Risk Management Committee

7.2.1 The Risk Management Committee shall be appointed by the Board of Directors and composed of the Management and at least 1 independent director.

7.2.2 The independent director shall be the Chairman of the Risk Management Committee.

7.3 Qualifications of Risk Management Committee Members

7.3.1 Appointed by the Board of Directors to be the Risk Management Committee members.

7.3.2 There is no any other aspect preventing members from making comment freely on consideration of risk.

7.3.3 The Risk Management Committee who are qualified according to 7.2.1-7.2.2 may be assigned by the Board of Directors to make decision on the operations of the Company. The decision could be made in the form of a resolution.

7.4 Term of Office

7.4.1 The Risk Management Committee shall hold the position for a term of 3 years, and the member who has completed the term may be reappointed.

7.4.2 In the case where a Risk Management Committee member position becomes vacant for a reason other than completion of a term under 7.4.1 (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 Risk Management Committee members as per this Charter. The replacement member will serve only the remaining term of the Risk Management Committee member whom he / she replaces.

7.5 Meeting and Quorum

7.5.1 The Risk Management Committee meeting shall be held at least once a year and the Chairman of the Risk Management Committee can call a special meeting of the Risk Management Committee to consider the urgent issue as deemed fit.

7.5.2 To constitute a quorum, not less than one half of the total members of the Risk Management Committee must attend the meeting each time.

7.5.3 If the Chairman is not present at the meeting, or unable to perform his duties, the member of the Risk Management Committee attending meeting shall select one of the member to be the Chairman of the meeting.

7.5.4 The member of the Risk Management Committee who has interest in any matter must not participate in the consideration or vote on the matter.

7.5.5 Resolution of the meeting of the Risk Management Committee shall be passed by a majority of the members present and constituting a quorum.

7.5.6 The Risk Management Committee has the duty and a responsibility to report the activities of the Risk Management Committee or any other duties assigned by the Board of Directors at least once a year.

7.6 Scope of Duties and Responsibilities

The Risk Management Committee has the duties as assigned by the Board of Directors as follows:

7.6.1 Lay down the rules, policies and process of risk assessment and management with impacts on the Company.

7.6.2 Setup standards of risk management to be used as guidelines in the Company.

7.6.3 Regulatory and measures to ensure that thoroughly communication and employees to employ with those measures.

7.6.4 Monitoring and assess the risk management results and report the risk management results to the Executive Committee and the Audit Committee.

7.6.5 Support and development of risk management continued to occur throughout the organization and in accordance with international standard.

7.6.6 Review and revise the guidelines and tools to manage risk effectively, appropriate to the nature and risks to each transaction in which it operates.

7.6.7 Consider and review the risk limits and corrective measures in the event where it is not within the risk limits.

7.6.8 Monitor the risk assessment results under both normal situation and stress testing.

7.6.9 Assess the likelihood risks for new products or new transactions, as well as to define preventive measures.

7.6.10 The Risk Management Committee is empowered to invite executives or those concerned to attend meeting for further clarification.

7.6.11 The Risk Management Committee may, at the Company's expense, ask for advice from specialists to enable efficient performing of duty under the charter.

7.6.12 The Risk Management Committee authorize the Chief Executive Officer to have the power to carry out the business operations of the Company

7.7 Responsibilities

The Risk Management Committee is responsible to the Board of Directors in accordance with duties and responsibilities as assigned. And the Board of Directors continue to be responsible for the operation of the Company and third parties.

7.8 Reporting

After each meeting of the Risk Management Committee, the secretary of the meeting shall summarize the opinions and comments of the meeting and submit to the Company's Board of Directors for acknowledgement and/ or consideration and disclosed in annual report of the company and signed by Chairman of the Risk Management Committee.

7.9 Assessment of the Risk Management Committee

The performance of Risk Management Committee shall be evaluated at least once a year and reported to the Board of Directors.

Audit Fee

Company has paid fee to audit for 2014 fiscal year to EY Office Limited, auditor of company amount 1,440,000 Baht. The Company has no subsidiary and affiliated companies and The Company paid other fees to the auditors, such as travelling and photocopies expenses amount 104,863 Baht.

DIRECTORS COMPENSATION

The Company has clearly specified compensation for 9 directors in remuneration and allowances total of 3,041,000 Baht in 2014 and 2,800,000 Baht in 2013, and 1,810,000 Baht in 2012 as details belows:

(Unit : Baht)

Name		Year 2012	Year 2013	Year 2014	Meeting (Times)
1.	Mr. Por Tanadumrongsak	195,000	230,000	250,000	8/8
2.	Mr.Sangcharean Tanadumrongsak	195,000	225,000	250,000	8/8
3.	Mr.Sompol Tanadumrongsak	195,000	230,000	250,000	8/8
4.	Mr. Somkit Tanadumrongsak	190,000	230,000	250,000	8/8
5.	Mr. Yanyongchai Tanadumrongsak	195,000	225,000	250,000	8/8
6.	Mrs. Raweewan Mathong	195,000	230,000	250,000	8/8
7.	Mr. Apisit Rujikeatkamjorn	215,000	-	-	-
8.	Mr. Naris Chaiyasoot (Ph,D)	-	530,000	567,000	15/15
9.	Mr. Anant Gatepithaya	215,000	450,000	487,000	16/16
10.	Mr. Pumipat Sinacharoen	215,000	450,000	487,000	15/15
Total		1,810,000	2,800,000	3,041,000	

Remark : According to the 2014 Annual General Meeting of Shareholders held on April 2, 2014 passed a resolution that the Remuneration the year 2014 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 8,000 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 2014 will be paid based upon the business performance of the Company ended December 31, 2014 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 2015.
- The Company held Board of Directors Meetings 8 times.
- Audit Committee Meetings 5 times.
- Norminating and Remuneration Committee Meeting 2 times.
- The Risk Management Committee Meeting 1 time.
- 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 2012		Year 2013		Year 2014	
	No.member	Amount	No.member	Amount	No.member	Amount
Salary	8	13,246,316	8	15,628,687	7	12,093,637
Bonus	8	2,736,608	8	2,980,043	7	2,340,264
Other Compensation	8	606,768	8	-462,089	7	4,376,880
- Providend Fund						
- Social Security						
- Employee Benefit Surverance						
Total	8 ⁽²⁾	16,589,692	8 ⁽²⁾	18,146,641	7 ⁽²⁾	18,810,781

Note : ⁽¹⁾ Mr. Kninpichy Sukserm resigned on 1 August 2013.

⁽²⁾ Mr.Virithphol Muannara joined the company at March 5, 2012.

Employee Compensation and Return Characteristics

As at December 31, 2014, the Company are 653 persons (excluding executive 7 persons) divided to regular 295 persons and daily 358 persons as the following details :

Department	Regular (Person)	Daily (Person)	Total (Person)
Production	104	241	345
Engineerinf	49	12	61
Quality	55	53	108
Finance & Account	11	-	11
Management	4	-	4
Purchasing	5	-	5
MIS	5	-	5
Sales and Marketing	19	-	19
Logistics	31	52	83
Human Resource	12	-	12
Total	295	358	653

The Company has employees 653 persons, in year 2014 the company paid benefit to employees with 142.31 million Baht. The benefit is, salary, bonus, OT, social insurance, providend funding and other welfare. The company established providend funding with Ayudhya Master Fund.

In this year, the company has no significant change of employees number to effect the company operation. There is no argument in term of labor for 3 years.

The Significant legal case during 3 years.

- None -

Policy of Human Resource Development

The Company has a policy of continuous Human Resource Development to increase capacity and improve performance, Skill development, training and expertise to employees. The Company has an annual training plan, both in house and outside training. For the ability to produce for operational level, management and employee in the university levels to develop and enhance its competitiveness as follows.

- Plan 1 Human Resource Development plan and improve production to more effectively base LRP, with experts from Thailand Automotive Institute/ QCC.
- Plan 2 Enhance the quality management system ISO9001:2008, ISO/TS16949:2009, ISO14001:2004, OHSAS18001:2007
- Plan 3 Management Building all Levels.
 - 3.1 Increase skills and understand Good Governance, Code of Ethic and Regulation of SEC, SET to employees in Management levels.
 - 3.2 In house and outside Training.

The Company has developed training and defined Career Path and use Key Performance Index (KPI) to measure success factors. The company gives a measure of the success of personnel effectively.

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:

Section 1 : 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.

Section 2 : 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.

Section 3 : 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.

Section 4 : 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.

Section 5 : 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 implement 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 of 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.

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Anti-corruption Policy

Fortune Parts Industry Public Company Limited intend and strive to operate the business with ethically by persisting in responsibility to social and all stakeholders according to good governance and ethic as well as policy and treating guideline to the company stakeholder. In 2014, the company participated in "Common operation of private sector to anti-corruption" to state intention and determination of anti-corruption in all aspect. To ensure that the company has policy to specify responsibility, operating procedure and regulation of appropriate operation to anti-corrupt of every business activity of the company and to thought fully decide and operate corruption risk business, the company create "anti-corruption policy" in written form to be a clearly business operation to develop to sustainable organization.

Definition of anti-corruption policy

Corruption means bribery whether in any format. There are promise or receive money or other benefit is improper with officer, private agency or person in charge whether direct or indirect. Such person action or omit operation is acquired or for acquired or maintain which otherwise benefit is improper of business. Unless is case of law, regulation, information regulation, traditional of local or trading tradition is operable.

Policy of anti-corruption

Prohibit directors, executives and employees of the company perform or accept corrupt in all forms, either directly or indirectly, by covering all business sectors and agencies and to ensure compliance with policies against corruption. As well as regularly reviewing practices and regulations in the operation of the business in order to comply with changing regulations and legal requirements.

Responsibilities

1. The Board of Directors.

Has responsible for policy and oversight, has system of supporting the anti-corruption effectively. To ensure that management is aware and pay attention and anti-corrupt and implant in the culture of the organization.

2. Audit committee

Has duties and responsibility of verify financial statements and accounting, internal control, internal audit and risk management is ensure that according to international standard, concisely, appropriate, modern and effectively.

3. Board of Executives Director and Executives

Has duties and responsibility assign system and encourage and supporting policy of anti-corruption, communicate to employee and related all division. Including review appropriate of system and any measure is consistency changing of business, rule, regulation and provision of law.

4. Audit committee

Have a duty and responsibility to monitor and review the operation is correctly as policies, practices, authority, regulations and laws and provision. To ensured that has appropriate control and sufficient to risk of anti-corruption may occur and report toward audit committee.

Practice

1. Directors of company, executives, employee of company must comply with policy of anti-corruption and code of conduct without related with corruption whether directly or indirectly.
2. Employees should not be neglected or ignored when exposed to the action corrupt transaction involving the company. And report to the commander or the person in charge to know and to cooperate in the investigation. If there are any doubts or questions, consult with a supervisor or the person designated as responsible for monitoring compliance code of conduct via any channel.

3. The Company will ensure fairness and protection of employees who refuse or to report a corrupt associated with the company by incorporating protection, complaints or who cooperate in reporting corruption has defined in whistleblower policy.
4. Person who corruption is violate code of conduct must consider in discipline and may be legal punishment if that action is illegal.
5. Company was emphasized in disseminate knowledge and understanding with other person. Must operate duty related with company may effect to company regarding following policy of anti-corruption.
6. Company has intention to building and maintains organization culture and neglect corruption of transaction with public sector and private sector.

Operation requirement

1. Policy of anti-corruption is covering personnel management from recruitment or selection person, promotion, training, assessment and remuneration prescribed by commander. Moreover, communicate with employee under responsibility and supervise is effectively.
2. Implementation of any policies against corrupt practices to use as set forth in the Code of Corporate Governance of company, guide policy and practice with stakeholder groups, including rule and manual operation of the companies involved as well as other practices that the company will further set up.
3. For clarity of implementation regarding high risk to be corruption. Directors, executives and employees at all levels must be treated with caution in the following.
 - 3.1. Gifts and entertainment expenses, gifts to give or receive as prescribed in the Code.
 - 3.2. Donation for charity or financial support to make or receive donations or grants must be transparent and legitimate. To ensured that donations or funding not being put to use as a pretext for bribery.
 - 3.3. Relation of business and procurement with government prohibits giving or accepting bribes in the business of all kinds. Operations of the company and dealings with the government must be transparent, honest, and be conducted in accordance with the relevant laws.

2. Social Responsibility Policy

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.



Meeting with Community on 18 April 2014



Partnership with the community to create jobs and improve the quality life of community

(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 124 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.



The air quality

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.



Recycle water consumption in the process

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. Process effluent monitoring continues



Prevention Surveillance and control the environmental impact

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+}) แทน 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 molding 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

1. **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.

2. Change the fuel lines, hydraulic injection molding machine

Change the fuel lines, hydraulic and good quality, use by life cycle some case may cause a leak of hydraulic oil.

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

Our production system is used oil, cause a leaking piping joints, gasket etc. The Company will keep oils in the tanks to prevent environment impact, recycle and reused. Can reduce the cost of hydraulic oil and reduce the volume of orders in large amounts, which does not destroy the resources to efficiently and effectively. Caused no environmental impact and to make a profit to stakeholders.

By using water from oil filter. The use of high resolution filters and the viscosity is the separator between the oil and water. The oil is filtered out for about 30-40% of total oil.

1. Debris filtration water separation
2. Coarse filter and water separator
3. Filter cruded oil storage tank
4. Filter



The Hydraulic Oil Treatment System

4. Change New Machine

Change new machine are advanced technological and more effective as well as improving and modifying operation of the machine, effectively increasing, in order to reduce energy consumption and maintenance cost.

For old machines which is capable of producing a drop, not worth the cost of repair and maintenance. The company will sell out old machine and buy new machine to replace. This makes it even more productivity, reduce maintenance costs and the quality is good.

Opening the vacuum line (light) to support the growth and expansion of automotive lighting equipment for all types of imports that have high costs. The company has opened Vacuum line to provide products to customers and reduce import cost.

Increasing new machine to produce small parts, which is the need of the local market and Asia zone and reduce the cost of importing from abroad.

The restructuring process of chrome plating, to increase production efficiency, reduce loss and improve the technology to be more modern, to prevent or may affect the environment. It also reduces the cost of maintenance and is important to support market in year 2015.

The Product is environmentally friendly

(With a commitment that Industry should play a role in solving environmental problems)

Fortune Parts Industry Public Company Limited, as an organization in the industry. Therefore, crucial to the source, in selecting the efficient technologies and clean in every stage, focus to control, monitoring any effects that might occur at all stages in the production process from the beginning and are environmentally friendly and affect the environment. Throughout the operation, we strictly follow the law and regulation, with a sense of responsibility towards society and the environment. The commitment and stability in endlessly.

Activities for CSR/ Stakeholder

Celebrating the 24th, the company stand firmly and will use the strengths and historical in the automotive parts that is friendly to the environment and society with a sense of belonging in society.

The Company recognizes the importance of business with respect to the stakeholders. Start by employees within an organization by providing our care management Health and safety stakeholders by setting performance standards throughout the organization of international standard OHSAS -18001 is a guarantee of safety and quality of life.

Meanwhile, encourage participation. Since contemplate a joint a result, with a positive attitude instilled in the businee to society, together with the community to build roads, drainage pipes and give the gift to childrens in the community and neighboring areas, donated for the camp and moral development of students to Jitrdee Witthaya School, donated to support Robotic Olympic WRO 2014 to Thanyaburi School, creat jobs in the community through local employment and involvement with the community for painting process. The Company crested a technology exchange knowledge to community.

Event-Driven Social Responsibilities and Environment(CSR)

1. The company was featured on the surrounding communities. The dedication of the budget and personnel of the company, as well as to promote, support and enhance the quality of life in the surrounding communities in various ways, by focusing on the issues of education. Share this knowledge with the community including the community to participate. And Community development then give the community and opportunity to be employed by the Company continued has knowledged problems. The Company seek the community to develop, to create jobs and improve the quality of people in community, building a career in technology transfer to the community, to come and work with the company.

2. Investment in local infrastructure, The Company has continued every year. For the year 2014 is to improve road into the community. The establishment is located at least 10 companies to facilitate security, The Company pay amount more than 100,000 Baht for safety in trafic out of the community and the workplace.



Improve Road into the community

3. Management policy and continuous quality throughly seriously in order to enhance the process. Creat awareness and intill a shared responsibility. As well as skills development empowering employees practitioners. This will result in a better way to stakeholders.

4. To improve international standard in working practices and ISO14001, OHSAS1800 and ISO/TS16949 requirements for environmental control of the organization created. Consciousness and considered the primary duty to comply with all the normal functionality. Which is the international standard for occupational health and safety at work is important and necessary for the safety of life and property to influence stakeholders and the operation must not affect the environment, both internal and external sustainability.

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.	Company owned by related person of the Company's management
Fortune Box Industry Co., Ltd.	Company owned by related person of the Company's management
Imperial Cable Industry Co., Ltd.	Company owned by related person of the Company's management
Dongfeng Automobile (Thailand) Co., Ltd.*	Company owned by related person of the Company's management
Dong Feng Engine Co., Ltd. *	Company owned by related person of the Company's management
S.C.G. Industry Co., Ltd.	Common director and shareholding
Super Central Gas Co., Ltd.	Common director and shareholding
K-Mart Service Co., Ltd.	Common director and shareholding
Siam City Group Development Co., Ltd.	Common director and shareholding
S.C.G. Hathairat Co., Ltd.	Common director and shareholding

* To be related parties since October 2014

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)

	2014	2013	Transfer pricing policy
<u>Transactions with related parties</u>			
Sales			
Sangthong Auto Partsworld Co., Ltd.	52,001	56,316	In the range of the average selling price in Asia or within 15% of competitor's selling price
Dongfeng Automobile (Thailand) Co., Ltd.	31,610	-	OEM: Market price; Other products: purchase price plus margin 6%
Dong Feng Engine Co., Ltd.	14,742	-	OEM: Market price; Other products: purchase price plus margin 6%
Fortune Box Industry Co., Ltd.	177	36	Selling price within 10% of competitor's selling price
Total	98,530	56,352	
Purchases of goods			
Sangthong Auto Partsworld Co., Ltd.	37,674	42,289	OEM: Within (plus or minus) 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.	19,921	21,711	Purchased at prices 1% to 6% lower than those for other suppliers

(Unit: Thousand Baht)

	2014	2013	Transfer pricing policy
S.C.G. Industry Co., Ltd.	2,235	596	Purchased at prices (plus or minus) 2% of the prices of other suppliers
Imperial Cable Industry Co., Ltd.	351	559	Purchased at prices 10 % below to plus 6% above the prices of other suppliers
Total	60,181	65,155	

(Unit: Thousand Baht)

	2014	2013	Transfer pricing policy
Purchase of fixed assets			
Siam City Group Development Co., Ltd.	110	-	Market price
Other expenses			
K-Mart Service Co., Ltd.	726	687	Market price
Super Central Gas Co., Ltd.	269	21	Market price
S.C.G. Hathairat Co., Ltd.	302	43	Market price

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

(Unit: Thousand Baht)

	2014	2013
<u>Trade receivable - related parties</u>		
Dongfeng Automobile Co., Ltd.	31,610	-
Sangthong Auto Partsworld Co., Ltd.	20,401	25,439
Dong Feng Engine Co., Ltd.	14,756	-
Fortune Box Industry Co., Ltd.	21	11
Total	66,788	25,450
<u>Trade payable - related parties</u>		
Sangthong Auto Partsworld Co., Ltd.	11,263	14,622
Fortune Box Industry Co., Ltd.	3,554	4,613
S.C.G. Industry Co., Ltd.	200	53
Imperial Cable Industry Co., Ltd.	155	112
Total	15,172	19,400
<u>Other payables - related persons</u>		
K-Mart Service Co., Ltd.	138	129
Super Central Gas Co., Ltd.	77	23
S.C.G. Hathairat Co., Ltd.	56	30
Total	271	182

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)	
	2014	2013
<u>Short-term employee benefits</u>	21,505	21,517
Short-term employee benefits	347	(570)
Total	21,852	20,947

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 2014, 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 judgement, 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 2014, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Termphong Opanaphan
Certified Public Accountant (Thailand) No. 4501

EY Office Limited
Bangkok: 16 February 2015

STATEMENT OF FINANCIAL POSITION

Fortune Parts Industry Public Company Limited

As at 31 December 2014

		(Unit: Baht)	
	<u>Note</u>	<u>2014</u>	<u>2013</u>
Assets			
Current assets			
Cash and cash equivalents	7	56,204,286	48,335,528
Trade and other receivables	8	754,595,284	528,240,578
Inventories	9	391,292,984	360,028,028
Other current assets		81,148,812	80,669,859
Total current assets		1,283,241,366	1,017,273,993
Non-current assets			
Restricted bank deposits	10	-	35,882,312
Property, plant and equipment	11	913,307,022	752,110,257
Intangible assets	12	1,687,497	2,215,351
Deferred tax assets	21	-	518,247
Other non-current assets		4,179,495	1,809,816
Total non-current assets		919,174,014	792,535,983
Total assets		2,202,415,380	1,809,809,976

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Fortune Parts Industry Public Company Limited

As at 31 December 2014

		(Unit: Baht)	
	<u>Note</u>	<u>2014</u>	<u>2013</u>
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from			
financial institutions	13	792,285,587	618,013,558
Trade and other payables	14	262,172,766	257,505,237
Current portion of long-term loans	15	119,213,778	93,539,831
Income tax payable		16,598,377	15,352,372
Short-term provision	16	3,215,071	3,079,763
Other current liabilities		19,472,947	23,879,231
Total current liabilities		1,212,958,526	1,011,369,992
Non-current liabilities			
Long-term loans, net of current portion	15	95,037,338	107,462,833
Provision for long-term employee benefits	17	4,521,043	3,482,857
Deferred tax liabilities	21	2,256,956	-
Total non-current liabilities		101,815,337	110,945,690
Total liabilities		1,314,773,863	1,122,315,682

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Fortune Parts Industry Public Company Limited

As at 31 December 2014

		(Unit: Baht)	
	<u>Note</u>	<u>2014</u>	<u>2013</u>
Shareholders' equity			
Share capital			
Registered			
1,280,000,000 ordinary shares of Baht 0.25 each			
(2013: 320,000,000 ordinary shares of Baht 1 each)		320,000,000	320,000,000
Issued and fully paid-up			
1,202,382,176 ordinary shares of Baht 0.25 each			
(2013: 295,000,000 ordinary shares of Baht 1 each)	18	300,595,544	295,000,000
Share premium	18	191,812,706	151,436,250
Convertible debentures treated as equity securities	18	29,489,885	-
Retained earnings			
Appropriated - statutory reserve	19	32,000,000	29,500,000
Unappropriated		333,743,382	211,558,044
Total shareholders' equity		887,641,517	687,494,294
Total liabilities and shareholders' equity		2,202,415,380	1,809,809,976

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

INCOME STATEMENT

Fortune Parts Industry Public Company Limited
For the year ended 31 December 2014

		(Unit: Baht)	
	<u>Note</u>	<u>2014</u>	<u>2013</u>
Revenues			
Sales		1,756,800,182	1,648,540,596
Service income		6,171,607	11,839,476
Export incentive		31,857,445	51,497,593
Gain on exchange		18,016,243	2,969,850
Other income		27,550,127	7,117,159
Total revenues		1,840,395,604	1,721,964,674
Expenses			
Cost of sales		1,373,495,635	1,304,630,894
Cost of services		3,224,656	5,943,010
Selling expenses		118,347,450	110,342,189
Administrative expenses		70,857,723	63,012,404
Reversal of allowance for doubtful accounts		(4,991,687)	(7,906,608)
Reversal of allowance for diminution in value of inventories		(12,643,913)	(953,232)
Total expenses		1,548,289,864	1,475,068,657
Profit before finance cost and income tax expenses		292,105,740	246,896,017
Finance cost		(44,455,822)	(43,481,909)
Profit before income tax expenses		247,649,918	203,414,108
Income tax expenses	21	(48,347,562)	(39,643,307)
Profit for the year		199,302,356	163,770,801
Earnings per share	22		
Basic earnings per share			
Profit for the year		0.17	0.14
Diluted earnings per share			
Profit for the year		0.17	0.14

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

STATEMENT OF COMPREHENSIVE INCOME

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2014

	(Unit: Baht)	
	<u>2014</u>	<u>2013</u>
Profit for the year	199,302,356	163,770,801
Other comprehensive income		
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>199,302,356</u>	<u>163,770,801</u>

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

CASH FLOWS STATEMENT

Fortune Parts Industry Public Company Limited
For the year ended 31 December 2014

	(Unit: Baht)	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Profit before tax	247,649,918	203,414,108
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	163,877,024	145,160,914
Reversal of allowance for doubtful accounts	(4,991,687)	(7,906,608)
Reversal of reduction of inventory to net realisable value	(12,643,913)	(953,232)
Gain on sales of equipment	(25,204,128)	(230,037)
Provision for product warranty	135,308	537,495
Provision for long-term employee benefits (reversal)	1,038,186	(1,189,317)
Unrealised gain on exchange	(9,681,921)	(18,684,329)
Interest expenses	40,063,976	39,110,616
Profit from operating activities before changes in operating assets and liabilities	400,242,763	359,259,610
Operating assets decrease (increase)		
Trade and other receivables	(181,318,132)	(88,089,578)
Inventories	(18,621,043)	(30,668,185)
Other current assets	(478,953)	(15,486,830)
Other non-current assets	(2,369,679)	(1,750,000)
Operating liabilities increase (decrease)		
Trade and other payables	(134,818)	9,688,170
Other current liabilities	(4,475,900)	(2,885,662)
Cash flows from operating activities	192,844,238	230,067,525
Cash paid for corporate income tax	(44,326,354)	(48,197,122)
Net cash flows from operating activities	148,517,884	181,870,403

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

CASH FLOWS STATEMENT (CONTINUED)

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2014

	(Unit: Baht)	
	<u>2014</u>	<u>2013</u>
Cash flows from investing activities		
Decrease (increase) in restricted bank deposits	35,882,312	(770,668)
Acquisition of property, plant and equipment	(331,997,678)	(238,192,436)
Acquisition of intangible assets	-	(1,819,920)
Proceeds from sale of equipment	12,867,282	2,480,912
Net cash flows used in investing activities	<u>(283,248,084)</u>	<u>(238,302,112)</u>
Cash flows from financing activities		
Increase in bank overdrafts and		
short-term loans from financial institutions	173,522,310	134,942,394
Cash receipt from long-term loans	173,109,226	128,572,526
Repayment of long-term loans	(162,553,060)	(88,145,820)
Cash paid for interest expenses	(42,324,385)	(38,419,872)
Cash receipt from convertible debentures	75,461,885	-
Dividend paid	(74,617,018)	(82,589,200)
Net cash flows from financing activities	<u>142,598,958</u>	<u>54,360,028</u>
Net increase (decrease) in cash and cash equivalents	<u>7,868,758</u>	<u>(2,071,681)</u>
Cash and cash equivalents at beginning of year	48,335,528	50,407,209
Cash and cash equivalents at end of year	<u><u>56,204,286</u></u>	<u><u>48,335,528</u></u>
Supplemental cash flows information		
Non-cash items		
Undue installments for asset purchases	13,171,658	6,108,901
Outstanding receivable from sale of assets	30,799,906	3,906,590
Transfer deposit for fixed assets to property, plant and equipment	-	23,070,109

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Fortune Parts Industry Public Company Limited
For the year ended 31 December 2014

					(Unit: Baht)	
	Issued and paid-up share capital	Share premium	Convertible debentures treated as equity securities	Retained earnings Appropriated - statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2013	295,000,000	151,436,250	-	19,937,706	139,938,737	606,312,693
Dividend paid (Note 23)	-	-	-	-	(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
Balance as at 1 January 2014	295,000,000	151,436,250	-	29,500,000	211,558,044	687,494,294
Convertible debentures treated as equity securities issued (Note 18)	5,595,544	40,376,456	29,489,885	-	-	75,461,885
Dividend paid (Note 23)	-	-	-	-	(74,617,018)	(74,617,018)
Total comprehensive income for the year	-	-	-	-	199,302,356	199,302,356
Unappropriated retained earnings transferred to statutory reserve	-	-	-	2,500,000	(2,500,000)	-
Balance as at 31 December 2014	300,595,544	191,812,706	29,489,885	32,000,000	333,743,382	887,641,517

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

NOTES TO FINANCIAL STATEMENTS

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2014

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 financial reporting standards

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

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates

TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
Financial Reporting Standards:	
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
Accounting Standard Interpretations:	
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
Financial Reporting Standard Interpretations:	
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company immediately recognises actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company is that when the revised standard is applied in 2015 and the method of recognising those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 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.

4.2 Cash and cash equivalents

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

4.3 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.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

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

4.5 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.

4.6 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

4.7 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.

4.8 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.

4.9 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 intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. 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.

4.10 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.

4.11 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.

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

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

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

5. 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 judgement to estimate anticipated losses, with reference to past experience.

6. Related party transactions

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

<u>Name of related persons and related parties</u>	<u>Relationship with the Company</u>
Sangthong Auto Partsworld Co., Ltd.	Company owned by related person of the Company's management
Fortune Box Industry Co., Ltd.	Company owned by related person of the Company's management
Imperial Cable Industry Co., Ltd.	Company owned by related person of the Company's management
Dongfeng Automobile (Thailand) Co., Ltd.*	Company owned by related person of the Company's management
Dong Feng Engine Co., Ltd.*	Company owned by related person of the Company's management
S.C.G. Industry Co., Ltd.	Common director and shareholding
Super Central Gas Co., Ltd.	Common director and shareholding
K-Mart Service Co., Ltd.	Common director and shareholding
Siam City Group Development Co., Ltd.	Common director and shareholding
S.C.G. Hathairat Co., Ltd.	Common director and shareholding

*To be related parties since October 2014

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.

	<u>2014</u>	<u>2013</u>	(Unit: Thousand Baht) <u>Transfer pricing policy</u>
<u>Transactions with related parties</u>			
<u>Sales</u>			
Sangthong Auto Partsworld Co., Ltd.	52,001	56,316	In the range of the average selling price in Asia or within 15% of competitor's selling price
Dongfeng Automobile (Thailand) Co., Ltd.	31,610	-	OEM: Market price; Other products: purchase price plus margin 6%
Dong Feng Engine Co., Ltd.	14,742	-	OEM: Market price; Other products: purchase price plus margin 6%
Fortune Box Industry Co., Ltd.	177	36	Selling price within 10% of competitor's selling price
Total	<u>98,530</u>	<u>56,352</u>	

	<u>2014</u>	<u>2013</u>	(Unit: Thousand Baht) <u>Transfer pricing policy</u>
Purchases of goods			
Sangthong Auto Partsworld Co., Ltd.	37,674	42,289	OEM: Within (plus or minus) 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.	19,921	21,711	Purchased at prices 1% to 6% lower than those for other suppliers
S.C.G. Industry Co., Ltd.	2,235	596	Purchased at prices (plus or minus) 2% of the prices of other suppliers
Imperial Cable Industry Co., Ltd.	351	559	Purchased at prices 10 % below to plus 6% above the prices of other suppliers
Total	<u>60,181</u>	<u>65,155</u>	
Purchase of fixed assets			
Siam City Group Development Co., Ltd.	110	-	Market price
Other expenses			
K-Mart Service Co., Ltd.	726	687	Market price
Super Central Gas Co., Ltd.	269	21	Market price
S.C.G. Hathairat Co., Ltd.	302	43	Market price

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

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
<u>Trade receivable - related parties (Note 8)</u>		
Dongfeng Automobile Co., Ltd.	31,610	-
Sangthong Auto Partsworld Co., Ltd.	20,401	25,439
Dong Feng Engine Co., Ltd.	14,756	-
Fortune Box Industry Co., Ltd.	21	11
Total	<u>66,788</u>	<u>25,450</u>
<u>Trade payable - related parties (Note 14)</u>		
Sangthong Auto Partsworld Co., Ltd.	11,263	14,622
Fortune Box Industry Co., Ltd.	3,554	4,613
S.C.G. Industry Co., Ltd.	200	53
Imperial Cable Industry Co., Ltd.	155	112
Total	<u>15,172</u>	<u>19,400</u>

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>
<u>Other payables - related persons (Note 14)</u>		
K-Mart Service Co., Ltd.	138	129
Super Central Gas Co., Ltd.	77	23
S.C.G. Hathairat Co., Ltd.	56	30
Total	<u>271</u>	<u>182</u>

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>2014</u>	<u>2013</u>
Short-term employee benefits	21,505	21,517
Post-employment benefits	347	(570)
Total	<u>21,852</u>	<u>20,947</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>
Cash	150	150
Bank deposits	56,054	48,186
Total	<u>56,204</u>	<u>48,336</u>

As at 31 December 2014, bank deposits in saving accounts carried interest at 0.375% per annum (2013: 0.50% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	59,174	10,441
Past due up to 3 months	7,614	15,009
Total trade receivables - related parties	<u>66,788</u>	<u>25,450</u>

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	406,023	294,908
Past due		
Up to 3 months	136,418	134,817
3 - 12 months	108,126	72,974
Over 12 months	16,765	13,768
Total	667,332	516,467
Less: Allowance for doubtful accounts	(18,714)	(19,841)
Total trade receivables - unrelated parties, net	648,618	496,626
Total trade receivables - net	715,406	522,076
<u>Other receivables</u>		
Other receivables from selling equipment	30,800	3,907
Revenue department receivable	8,413	5,765
Others receivables	18	400
Total	39,231	10,072
Less: Allowance for doubtful accounts	(42)	(3,907)
Total other receivables, net	39,189	6,165
Total trade and other receivables - net	754,595	528,241

9. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Finished goods						
(included trading goods)	348,373	317,534	(36,972)	(45,899)	311,401	271,635
Work in process	17,717	16,429	(3,141)	(3,495)	14,576	12,934
Raw materials	57,292	66,766	(8,647)	(11,883)	48,645	54,883
Packaging materials and supplies	17,612	21,644	(941)	(1,068)	16,671	20,576
Total	440,994	422,373	(49,701)	(62,345)	391,293	360,028

10. Restricted bank deposits

The balance as at 31 December 2013 represented fixed deposits pledged with the banks to secure credit facilities. The Company redeemed all restricted bank deposits in September 2014.

11. 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 2013	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
Additions	-	-	-	24,519	128,896	10,645	550	174,451	339,061
Disposals/write-off	-	-	-	(3,921)	(8,182)	(33)	-	(8,821)	(20,957)
Transfer in/(transfer out)	-	-	54,436	14,439	25,641	157	-	(94,673)	-
31 December 2014	89,482	15,864	219,397	526,267	1,373,989	41,123	25,269	161,431	2,452,822
Accumulated depreciation									
1 January 2013	-	(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)
Depreciation for the year	-	(793)	(9,947)	(52,332)	(93,839)	(2,926)	(3,512)	-	(163,349)
Depreciation on disposals/write-off	-	-	-	3,858	2,556	28	-	-	6,442
31 December 2014	-	(8,472)	(75,654)	(355,192)	(1,058,303)	(24,844)	(17,050)	-	(1,539,515)
Net book value									
31 December 2013	89,482	8,185	99,254	184,512	260,614	8,408	11,181	90,474	752,110
31 December 2014	89,482	7,392	143,743	171,075	315,686	16,279	8,219	161,431	913,307
Depreciation for the year									
2013 (Baht 142 million included in cost of sales and cost of services, and the balance in administrative expenses)									144,770
2014 (Baht 159 million included in cost of sales and cost of services, and the balance in administrative expenses)									163,349

As at 31 December 2014, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,035 million (2013: Baht 950 million).

The Company has mortgaged, certain property, plant and equipment amounting to approximately Baht 147 million (2013: Baht 233 million) as collateral against credit facilities received from financial institutions.

12. Intangible assets

(Unit: Thousand Baht)

	Computer software
Cost	
1 January 2013	5,801
Acquisition	1,820
31 December 2013	7,621
31 December 2014	7,621
Accumulated amortisation	
1 January 2013	(5,015)
Amortisation	(391)
31 December 2013	(5,406)
Amortisation	(528)
31 December 2014	(5,934)
Net book value	
31 December 2013	2,215
31 December 2014	1,687

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

(Unit: Thousand Baht)

	Interest rate (% per annum)	2014	2013
Bank overdrafts	MOR, MOR - 0.50	4,551	30,291
Short-term loans - bill of exchange	3.95 - 4.05	595,249	-
Short-term loans - trust receipts	LIBOR/SIBOR + 1.25 - 2.50	77,876	3,216
Short-term loans - packing credit	LIBOR/SIBOR + 1.50, MLR - 0.25, 3.80	65,919	368,722
Short-term loans - letters of credit	SIBOR + 2.00 to 2.30, MMR, MMR - 0.30	48,691	195,785
Short-term loans - promissory notes	5.65, 5.25	-	20,000
Total		792,286	618,014

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

14. Trade and other payables

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>
Trade payables - related parties	15,172	19,400
Trade payables - unrelated parties	177,542	170,862
Other payables - related parties	271	31,469
Other payables - unrelated parties	26,472	182
Other payables for purchase of equipment	13,172	6,109
Accrued expenses	29,544	29,483
Total trade and other payables	<u>262,173</u>	<u>257,505</u>

15. Long-term loans

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>	<u>Interest rate</u> (% per annum)	<u>Repayment schedule</u>	<u>Collateral</u>
Facility 1	171,139	131,809	LIBOR/SIBOR + 1.50	Monthly installments of principal and interest amounting to not less than USD 243,022 each (2013: USD 209,872 each)	Mortgage of land with premises thereon and mortgage of machinery with equipment.
Facility 2	-	8,276	Year 1-2: MLR - 1.00 Year 3-5: MLR	Monthly installments of principal and interest amounting to Baht 420,000 each, with full repayment made in 2014	Mortgage of land and premises thereon.
Facility 3	-	16,650	Year 1-5: MLR - 1.00	Monthly installments of principal and interest amounting to Baht 400,000 each, with full repayment made in 2014	Mortgage of land and premises thereon and mortgage of machinery
Facility 4	-	19,152	Year 1: MLR - 1.00 Year 2-5: MLR	Monthly installments of principal and interest amounting to Baht 570,000 each, with full repayment made in 2014	Mortgage of land with premises thereon
Facility 5	-	25,116	Year 1-2: MLR - 1.00 Year 3-5: MLR	Monthly installments of principal and interest amounting to Baht 577,000 each, with full repayment made in 2014	Mortgage of land and premises thereon

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>	<u>Interest rate</u> (% per annum)	<u>Repayment schedule</u>	<u>Collateral</u>
Facility 6	43,112	-	Year 1-4: 4.50	Monthly installments of principal and interest amounting to Baht 2,778,000 each, with full repayment to be made within 2017	Mortgage of land and premises thereon
Total	214,251	201,003			
Less: Current portion	(119,214)	(93,540)			
Net	95,037	107,463			

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.

On 1 October 2014, the Company issued a “Notice of Prepayment of long-term loan” to a bank to prepay the entire drawn down loan amount of Baht 13 million. The Company made the prepayment on 2 October 2014.

On 20 October 2014, the Company issued a “Notice of Prepayment of long-term loans” to a bank to prepay the entire drawn down loan amount of Baht 42 million. The Company made the prepayment on 30 October 2014.

As at 31 December 2014, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 51 million (2013: Baht 11 million).

16. Short-term provision

(Unit: Thousand Baht)

	<u>Provision for product warranty</u>
1 January 2013	2,542
Increase during the year	3,590
Utilised	(3,052)
1 January 2014	3,080
Increase during the year	3,139
Utilised	(3,004)
31 December 2014	3,215

17. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>
Defined benefit obligation at beginning of year	3,483	4,672
Current service cost	900	1,081
Interest cost	138	179
Actuarial gain	-	(2,449)
Provision for long-term employee benefits at end of year	<u>4,521</u>	<u>3,483</u>

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>
Current service cost	900	1,081
Interest cost	138	179
Actuarial gain recognised during the year	-	(2,449)
Total expense (income) recognised in profit or loss	<u>1,038</u>	<u>(1,189)</u>
Line items in profit or loss under which such expenses (income) are included		
Cost of sales and cost of services	533	(514)
Administrative expenses	505	(675)

Key actuarial assumptions used for the valuation are as follows:

	<u>2014</u>	<u>2013</u>
	(% per annum)	(% per annum)
Discount rate	3.97	3.97
Future salary increase rate	5.50	5.50
Staff turnover rate (depending on age)	0 - 52	0 - 52

The amounts of defined benefit obligations and experience adjustments for the current and the past four years are as follows:

	(Unit: Thousand Baht)	
	Defined benefit obligations	Experience adjustments on the obligations
Year 2014	4,521	-
Year 2013	3,483	(134)
Year 2012	4,672	486
Year 2011	4,025	-
Year 2010	3,187	-

18. Share capital/Convertible debentures

Convertible debentures

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 authorised 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.

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.

On 4 February 2014, the Company obtained a letter of approval from the Securities and Exchange Commission, granting the Company permission to offer for sale 3 tranches of convertible debentures, amounting to SGD 6 million, provided that the issuance was completed within 6 months from the date of the letter. Further, the Company was requested to convene a shareholders' meeting to approve the issue for sale of Tranche 4 and Tranche 5 of the convertible debentures, totaling SGD 4 million. On 3 April 2014, the Annual General Meeting of the Company's shareholders approved the issuance and offering of Tranche 4 and Tranche 5 of the convertible debentures, totaling SGD 4 million. However, on 29 August 2014, the Company obtained a letter of approval from the Securities and Exchange Commission, granting the Company an extension of the offering period of the convertible debentures that were approved on 4 February 2014, from the original date to within 3 February 2015.

On 9 June 2014, the Company obtained a letter of approval from the Securities and Exchange Commission, granting the Company permission to offer for sale 2 tranches of convertible debentures, totaling SGD 4 million, provided that the issuance was completed within 6 months from the date of the letter. However, on 1 December 2014, the Company obtained a letter of approval from the Securities and Exchange Commission granting the Company an extension of the offering period for the convertible debentures that were approved on 9 June 2014, from the original date to within 8 June 2015.

During 21 February - 11 March 2014, the Company issued Baht 50 million of the tranche 1 convertible debentures, and on 15 December 2014, the Company issued Baht 30 million of the tranche 2 convertible debentures.

During the year, the convertible debenture holders exercised rights to convert the convertible debentures as follows.

Date of exercise	Quantity of exercised convertible debentures (Thousand Baht)	Ordinary shares issued for exercise of convertible debentures (shares)	Exercise price (Baht)	Date of registration with the Ministry of Commerce	Date Stock Exchange of Thailand approved ordinary shares as listed securities
<u>Tranche 1 of convertible debentures</u>					
28 February 2557	2,500	286,861	8.715	28 February 2557	6 March 2557
19 - 20 March 2557	12,500	1,434,308	8.715	19 March 2557	24 March 2557
21 - 24 March 2557	33,750	3,874,375	8.699 and 8.715	27 March 2554	1 April 2557
	<u>48,750</u>	<u>5,595,544</u>			

Movements of the convertible debenture account during the year ended 31 December 2014 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2014	-
Add: Issue of convertible debentures	80,000
Less: Issuance cost of convertible debentures	(4,538)
Net	75,462
Less: Conversion to ordinary shares (net of related expenses)	(45,972)
Balance as at 31 December 2014	<u>29,490</u>

Change in the par value

On 9 October 2014, the Extraordinary General Meeting of shareholders approved a change in the par value of the Company's ordinary shares from Baht 1 per share to Baht 0.25 per share with no change in the Company's registered share capital and issued and paid-up share capital, resulting in an increase in the number of the Company's ordinary shares from 320,000,000 shares to 1,280,000,000 shares and an increase in the number of the issued and paid-up share from 300,595,544 shares to 1,202,382,176 shares. The Company registered the change in par value of the ordinary shares with the Ministry of Commerce on 13 October 2014.

The conversion of convertible debentures to ordinary shares and the change in the par value of the Company's ordinary shares resulted in increases in the issued and paid-up share capital and share premium during the year, as follows:

	Number of issued and paid-up capital shares (Thousand shares)	Issued and paid-up share capital (Thousand Baht)	Share premium (Thousand Baht)
Balance as at 1 January 2014	295,000	295,000	151,436
Increase in capital from conversion of convertible debentures	5,596	5,596	40,377
Increase in capital from change in par value	901,786	-	-
Balance as at 31 December 2014	1,202,382	300,596	191,813

19. 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. At present, the statutory reserve has fully been set aside.

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Salaries, wages and other employee benefits	135,020	127,884
Depreciation	163,349	144,770
Freight charges	106,724	98,254
Cost of trading goods	640,120	569,818
Raw materials and consumables used	388,012	435,249
Changes in work in process	(1,288)	7,826

21. Income tax

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

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Current income tax		
Current income tax charge	45,573	37,941
Deferred tax		
Relating to origination and reversal of temporary differences	2,775	1,702
Income tax expenses reported in the income statements	<u>48,348</u>	<u>39,643</u>

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

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Accounting profit before tax	<u>247,650</u>	<u>203,414</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by tax rate	49,530	40,683
Effect of:		
Non-deductible expenses	454	542
Additional expense deductions allowed	(1,636)	(1,582)
Total	<u>(1,182)</u>	<u>(1,040)</u>
Income tax expenses reported in the income statements	<u>48,348</u>	<u>39,643</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	
	<u>2014</u>	<u>2013</u>
Deferred tax assets		
Adjustment from revaluation according to forward exchange contracts	(206)	(237)
Allowance for doubtful accounts	91	91
Allowance for diminution of inventories	9,940	12,469
Accumulated amortisation - computer software	24	30
Provision for long-term employee benefits	904	696
Provision for product warranty	643	616
Total	<u>11,396</u>	<u>13,665</u>
Deferred tax liabilities		
Deferred revenue from customs duty	13,653	13,147
Total	<u>13,653</u>	<u>13,147</u>

22. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The Company adjusts the number of ordinary shares as if the change in the par value of the ordinary shares, as described in Note 18 to the financial statements, had occurred at the beginning of the earliest period reported.

The following table sets forth the computation of basic and diluted earnings per share:

For the years ended 31 December					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share
	2014 (Thousand Baht)	2013 (Thousand Baht)	2014 (Thousand shares)	2013 (Thousand shares)	2014 (Baht) 2013 (Baht)
Basic earnings per share					
Profit for the year	199,302	163,771	1,198,792	1,180,000	0.17 0.14
Effect of dilutive potential ordinary shares					
Convertible debentures	-	-	859	-	- -
Diluted earnings per share					
Profit attributable to ordinary shareholders assuming the conversion of convertible debentures to ordinary shares	199,302	163,771	1,199,651	1,180,000	0.17 0.14

23. Dividend paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
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		82,589	0.28
Final dividends for 2013	Annual General Meeting of the shareholders on 3 April 2014	29,528	0.10
Interim dividends for 2014	Board of Directors' Meeting on 8 August 2014	45,089	0.15
Total for 2014		74,617	0.25

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.

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
	2014	2013	2014	2013	2014	2013	
Revenues	241,638	188,983	1,515,162	1,459,557	6,172	11,840	1,762,972
Segment income	35,860	44,445	347,444	299,465	2,947	5,896	386,251
Other income							77,424
Selling expenses							(118,347)
Administrative expenses							(53,222)
Finance cost							(44,456)
Income tax expenses							(48,348)
Profit for the year							199,302
							163,771

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

(Unit: Thousand Baht)

	2014	2013
Revenue from external customers		
Thailand	247,810	200,823
Saudi Arabia	356,576	298,786
Others	1,158,586	1,160,771
Total	1,762,972	1,660,380

Major customers

For the years 2014 and 2013, 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 2014, the Company contributed Baht 2 million to the fund (2012: Baht 1 million).

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2014, the Company had capital commitments of approximately Baht 30 million and USD 1 million (2013: Baht 7 million and USD 1 million), relating to the construction of factory and office buildings and the acquisition of equipment.

26.2 Guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 6 million (2013: 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.

27. Financial instruments

27.1 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 2014

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	within 1 year	Between 1-2 years				
Financial assets						
Cash and cash equivalents	-	-	56	-	56	0.375
Trade and other receivables	-	-	-	755	755	-
Total	-	-	56	755	811	
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	595	-	197	-	792	1.578 - 7.375
Trade and other payables	-	-	-	262	262	-
Long-term loans	33	10	171	-	214	1.819 - 4.50
Total	628	10	368	262	1,268	

(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 - 7.25
Total	20	799	258	1,077	

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 2014

Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	19	8	32.72 - 33.11

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

Forward exchange contracts outstanding are summarised below.

As at 31 December 2014

Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	6	32.40 - 33.23	February - June 2015

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

27.2 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.

28. 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 2014, the Company's debt-to-equity ratio was 1.48:1 (2013: 1.63:1).

29. Events after the reporting period

On 16 February 2015, a meeting of the Company's Board of Directors passed the following resolutions:

1. To pay a dividend of Baht 0.07 per share for the year 2014, totaling Baht 84 million.
2. To approve the issuance and offering of warrants (FPI-W1) as detailed below.

Allocation method	: Allocated to the existing shareholders of the Company in a ratio of 1 warrant for every 4 existing ordinary shares
Number of warrants	: Not exceeding 301 million units
Offering price	: Baht 0 (no cost)
Term	: Not exceeding 3 years from the issue date
Exercise ratio	: 1 warrant per 1 ordinary share
Exercise price	: Baht 2
Exercise period	: Last business day of March, June, September, and December until the expiry date.
Listing	: Warrants to be listed on the Market for Alternative Investment

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 warrants, such as the issue date, the warrant allocation method, exercise period, expiry date of the warrants, and issue new shares to be reserved for the change of exercise price and/or exercise ratio. In addition, the Board of Directors and/or persons authorized by the Board of Directors are authorized to negotiate deals and sign authorisation forms, agreements, and other necessary documents related to the issuance of warrants, and to take any other actions necessary and appropriate for the issuance and allocation of warrants.

3. To increase the Company's registered share capital from Baht 320 million (1,280 million ordinary shares of Baht 0.25 each) to Baht 395 million (1,580 million ordinary shares of Baht 0.25 each), through the issuance of 300 million additional ordinary shares with a par value of Baht 0.25 each, to be reserved for the exercise of the warrants.

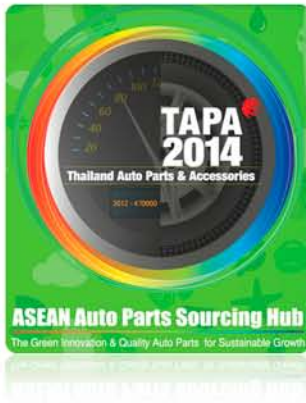
The above events is to be proposed to the shareholders' meeting for approval.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2015.



“We are selling automotive parts around the world”



automechanika

automechanika
MIDDLE EAST





บริษัท ฟอ์จูน พาร์ท อินดัสตรี จำกัด (มหาชน)

FORTUNE PARTS INDUSTRY PUBLIC COMPANY LIMITED

11/22 หมู่ 20 ถนนนิมิตใหม่ ต.ลำลูกกา อ.ลำลูกกา จ.ปทุมธานี 1215

11/22 Moo 20 Nimitmai Road, Lamlukka, Lamlukka, Pathumthani 12150 Thailand

Telephone : (662) 993-4970-7 Fax : (662) 993-4978-9 <http://www.fpiautoparts.com>