

# 2015

รายงานประจำปี  
Annual Report

***"GIVING SUSTAINABLE GROWTH"***



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 25 years of experience, professional 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”





# CONTENT สารบัญ

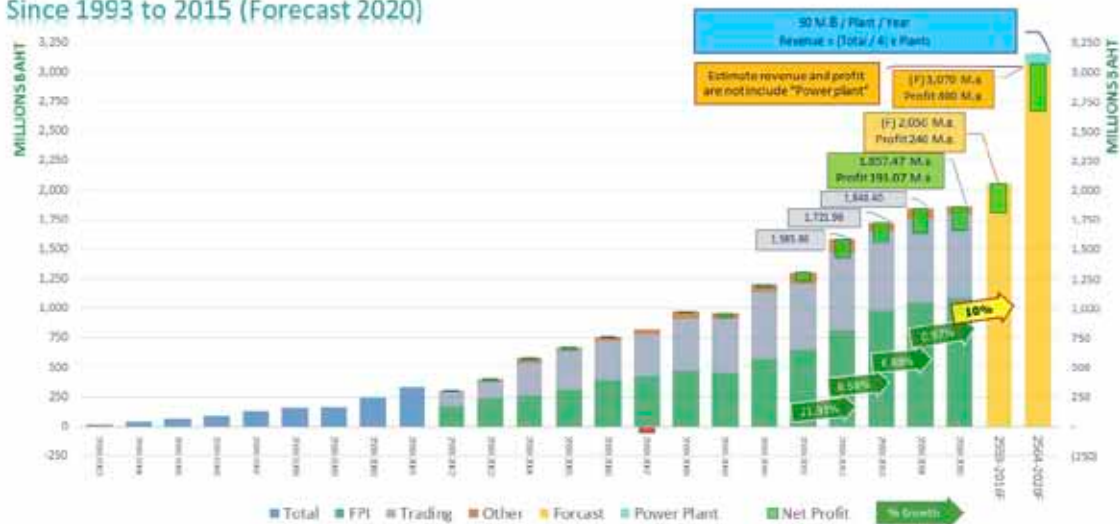
02	Financial Highlights	
05	Vision and Mission	
10	Message from the Executive Committee and Managing Director	
13	Report of the Audit Committee	
17	Report of the Nomination and Remuneration Committee	
20	Report of Risk Management Committee	
22	General Company Information	
26	Company Background	
34	Type of Business	
36	Income Structure	
38	Future Plans	
40	Economy and industry	
42	Risk factors and the factors that affect investment decisions	
46	Securities and Shareholder Information	
48	Dividend Policy	
49	Organization Chart	
50	Board of Director	
72	Organization Structure	
86	Directors Compensation	
		89 Policy of Human Resource Development
		90 Corporate Governance
		107 Corporate Social Responsibility
		110 Control Environment and Risk Management
		112 Related Party Transactions
		118 Report of the Board of Directors' Responsibilities for the Financial Statements
		119 Independent Auditor's Report
		121 FINANCIAL STATEMENTS
		165 Audit Fee and Other Fees



# FINANCIAL HIGHLIGHTS

## Total Revenue

Since 1993 to 2015 (Forecast 2020)

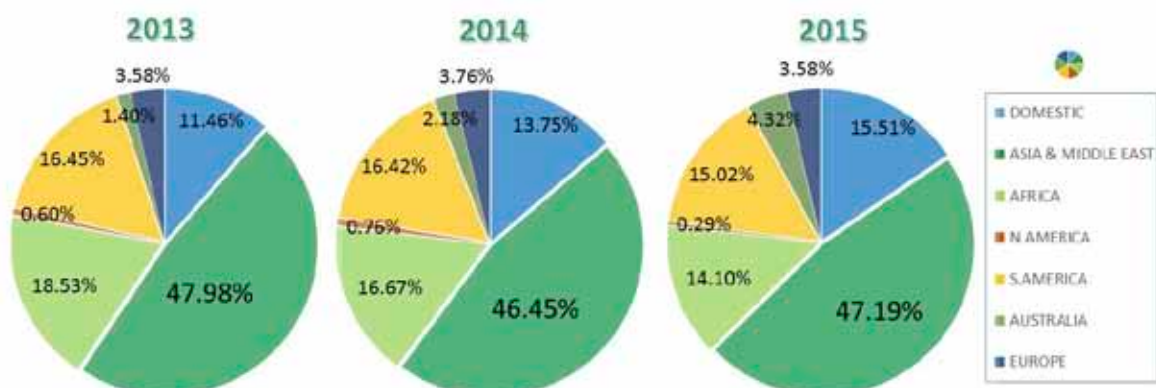


## Total Revenue (Million Baht)

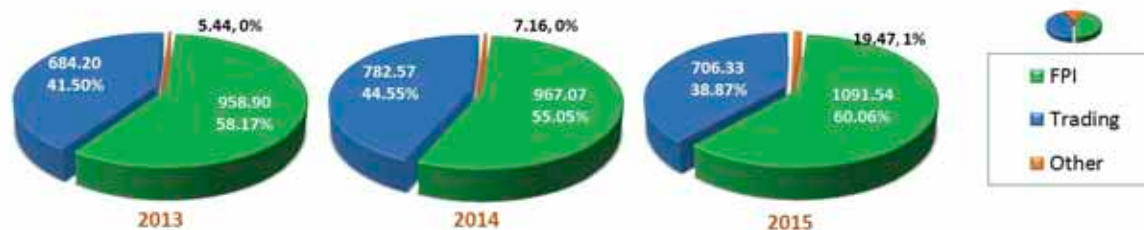


Remark : Others are include 1. Export incentive 2. Gains on exchange rate 3. Other income

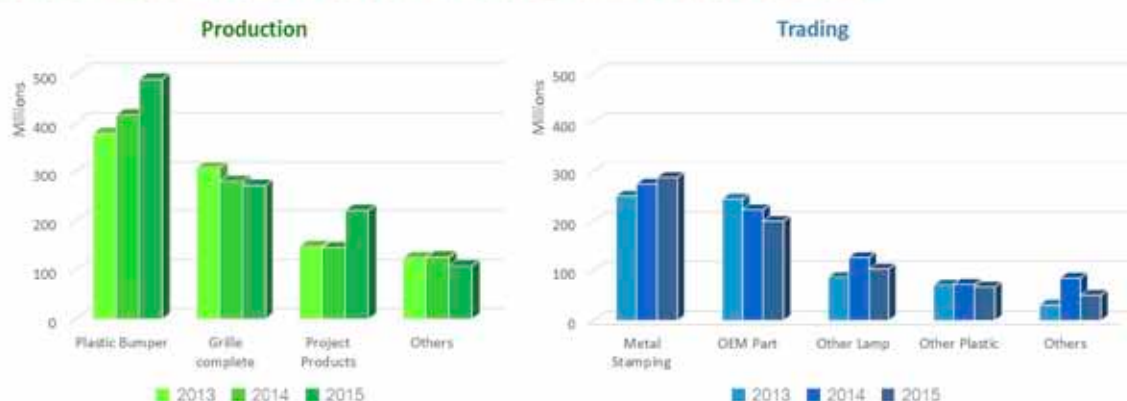
## Customer group by Zone (%)



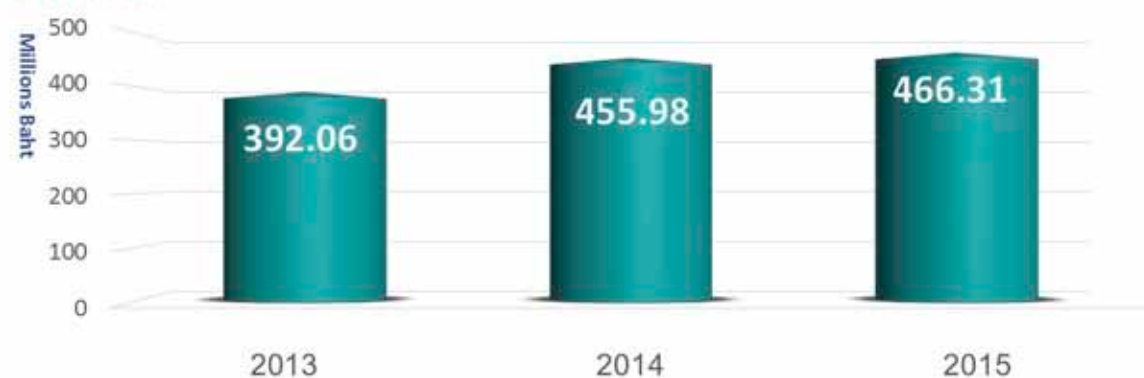
## Total Sale by Product categories (M.Baht)



## Total Sale by Product categories (M.Baht)



## EBITDA



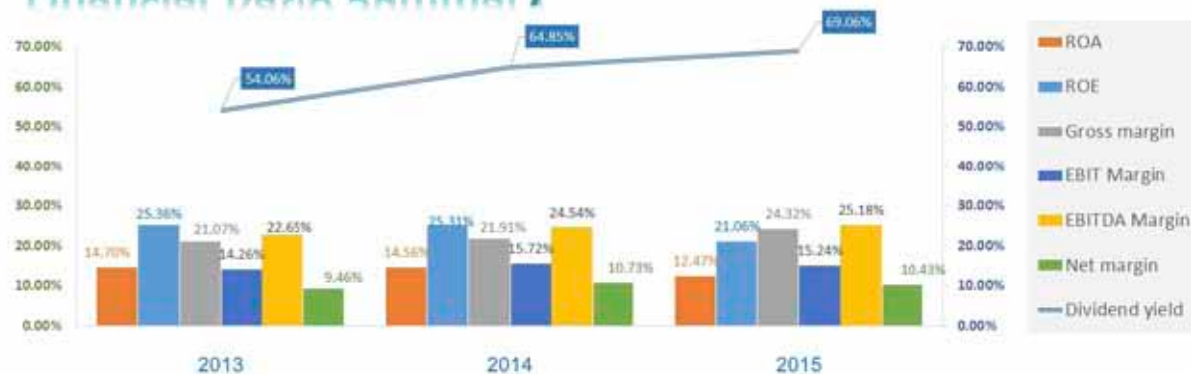
	Year 2013	Year 2014	Year 2015
Net Profit	163.77	199.30	193.07
Earning per Share (Baht / Share)	0.14	0.17	0.16
Dividen Paid (Baht / Share)	0.08	0.11	0.11



Statement of Financial Position (Unit : Million Baht)	2013	2014	2015
Total Assets	1,809.81	2,202.42	2,359.15
Cash and cash equivalents	48.34	56.20	166.22
Trade and other receivables	528.24	754.60	712.17
Inventories	360.03	391.29	365.51
Other current assets	80.67	81.15	78.13
Property, plant and equipment	752.11	913.31	1,025.82
Other non-current assets	40.42	5.87	11.30
Total liabilities	1,122.32	1,314.78	1,413.31
Current liabilities	1,011.37	1,212.96	1,309.01
Non-current liabilities	110.95	101.82	104.30
Total liabilities	687.49	887.64	945.84

Statement of financial position	2013	2014	2015
Current ratio (times)	1.01	1.06	1.01
Gross profit margin (%)	21.07	21.91	24.32
EBIT margin (%)	14.26	15.72	15.36
EBITDA margin (%)	22.65	24.54	25.18
Net profit on total revenues (%)	9.46	10.73	10.43
Return on total assets (%)	14.70	14.56	12.47
Return on Equity (%)	25.36	25.31	21.06
Debt to equity ratio (times)	1.63	1.48	1.49
Dividend payout ratio (%)	54.06	64.85	69.06

## Financial Ratio Summary



# VISION



“We are the one of the leading plastic automotive parts manufacturer and hub of the distribution of automotive parts and expansion the business line to friendly environment for giving sustainable growth”

# MISSION

The management has an action plan and management organizations achieve their goal by their approach to business since inception to date, the “Giving Sustainable Growth” provides sustainable growth by seven main policy FPICOSA as details below:



**Forever Continuous Improvement** Development and create new innovation continues to add value to the products

## Producing Quality Products

Products quality and friendly environment

## International Penetration

Expanding the market through distribution channels worldwide

## Customer Satisfaction

Create satisfaction for employees customers and stakeholders.

## On Time Delivery

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

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

## Alliance

Create a business partnership, create partners to cover business chain continues.



## Business Strategy

The Company has implemented a master plan to improve competitiveness. The main strategy is as follows

### 1. Customer Aimed at creating satisfied customers by focusing on the following details:

- 1.1 One Stop Service for production and sales of automotive parts integrated.
- 1.2 Quality product at competitive price like a OEM price
- 1.3 Fast & On time Delivery
- 1.4 Quick Response to customers
- 1.5 Customer Relation Management to customers
- 1.6 Creating customer satisfaction and focusing to produce quality product at competitive price like a OEM price

### 2. Sales and Marketing

- 2.1 Research and development of products to meet market demand and increased distribution channels to expand into global markets.
- 2.2 A variety of products
- 2.3 The potential for price competition, as there are many business partners
- 2.4 To guarantee quality of product

### 3. Supplier

- 3.1 The new partnership continues
- 3.2 Develop relationships with business partners, contribute to business goals together
- 3.3 Integrated supply chain management

### 4. Human Resource

- 4.1 To continue empowering staff at all levels
- 4.2 Develop skills to become the specialist and expert in their career path
- 4.3 Develop a model to work, looking for integrative. Cooperation with the parties as well as the opportunity to employee participation in management.
- 4.4 Develop the operating system and link to the organization's goals to the goals of the association.  
Contributions and competencies of employees to assess their performance in each period.
- 4.5 The structure of succession plan in to all level, to determine the skills, knowledge of personnel. To be replace up to a higher position.
- 4.6 To develop innovation technologies that align with the business and the changing external context.



## 5. Costing

- 5.1 System development effectiveness by providing the lowest cost and competitive
- 5.2 Develop production and technology modernization

## 6. Management system

- 6.1 Efficient management system based on international standards. The principles of corporate governance. In order to be competitive in the global market.
- 6.2 Quality of products and services including the risk management of doing business, controlling and reducing of the risk factors that impact negatively on the business.
- 6.3 Development aimed at achievement of management, teamwork and continuous improvement.

## 7. Research and development

- 7.1 Enhance research and development. The innovation in order to add value to their products.
- 7.2 Innovation and seek new business opportunities, to generate sustainable growth.

## 8. Technology

- 8.1 Technology development, product design and management modernization
- 8.2 Development of information material for warehouse and logistics management.

## 9. Social and environment

- 9.1 To support and contribute to improve the quality of life, stakeholders such as employee, community and social
- 9.2 Promote jobs, earn communities development society
- 9.3 Green community environment and pollution, both inside and outside the organization.

## Objectives and Goals

The Company has determined objectives and goals as below:

1. One Stop Service for production and sales of automotive parts integrated.
2. Center in the distribution of automotive parts to support customer both domestic inbound and abroad.
3. Seeking new partners both of domestic and abroad.
4. Added value to product by developing new products to market and branding
5. Development of personnel to enhance the ability of personnel at all levels
6. Standardize manufacturing processes are environmental friendly and in line of community law
7. Production and development of quality products to meet the OEM
8. Management technology and logistics at cost competitive





# AWARD



IPOP AWARD



## QUALITY MANAGEMENT SYSTEM



ISO9001 : 2008



ISO/TS16949 : 2009



OHSAS 18001 : 2007



ISO14001 : 2004



# MESSAGE FROM THE EXECUTIVE COMMITTEE AND MANAGING DIRECTOR



To Shareholders,

More than over 20 years since FPI founded, The Company has developed advance 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 134 countries worldwide. The company has revenues from export more than 1,535 million Baht per year. It is also acceptable both to domestic and foreign car markets are LAND ROVER, VOLVO, SUZUKI, TOYOTA, NISSAN, MAZDA, MITSUBISHI etc.

In last 2015, Fortune Parts Industry Public Company Limited has stride into the third year to be the listed company in MAI Stock Exchange. The Company has overcome difficulties from variation of economic situation both in domestic and abroad, political problem and variation of manufacturing staple prices both for prior-expectation and occurred out of expectation. The management team, the board and working group have extremely coordinated even though the outcome was below expected target. Nevertheless, work team would like to promise that they will intent and dedicate both body and mind in development and creation to be the automotive leader. As well as a center for the distribution of automotive parts. And expand its business-friendly environment for sustainable growth.

The Company has implemented a strategy to expand its business in five years, five countries. in 2558, the company plans to invest to increase production of automotive parts. And expand in foreign markets both REM and OEM investment in the joint venture such as FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA. in Ecuador and invest in ALP FPI PARTS PRIVATE LIMITED in India.



In addition, the company also expanded business to invest in joint venture in Save Energy Group of companies, the four companies. The Company which invest in biomass power plants. This is the infrastructure of the country, government support, company also implemented financial measures include the issuance of warrants, with maintaining dividends regularly. To maintain benefits and create more value for its shareholders and stakeholders on all sides.

In addition, in 2015, the Company was selected by the Stock Exchange of Thailand to be one of five companies that joined the “Corporate Sustainability Advisory Program # 2” of the companies listed to the mai stock market in order to develop the operational potentiality in corporate social responsibility and doing business with sustainability. This is a pride of the Company and will be a significant impulsion for the Company's corporate social responsibility tasks in the future. It is also deemed a great opportunity for the Company to apply our knowledge and exchange of experiences from the participation in the program into our organizational development for emerging benefits and sustainable growth along with economic, social and environmental development of Thailand in a sustainable way in the future.

For the year 2015, The company's revenue has grown from 1,840 million Baht increase to 1,857 million Baht or increase 0.89%. Net profit decrease from 199 million Baht to 193 million Baht or decrease 3.13% as a result of The Company has revenue greater than 85% from export and 15% from domestic, so The Company has not effected from politic and domestic economy. The Company has overcome difficulties from variation of economic situation both in domestic and abroad, political problem and variation of manufacturing staple prices both for prior-expectation. Also during the first half of 2015, the company has improved chrome plating process. Resulting in higher production costs.

For the year 2015, 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. More ever, 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, perseverance, patience, and worked tirelessly together during this past year.



Sompol Tanadumrongsak

Chairman of the Executive Committee



# REPORT OF THE AUDIT COMMITTEE



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 2015, the Audit Committee had carried out the duties under the responsibilities according to the principles of good governance by holding 4 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 2015. 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 2015

The Audit Committee has considered selecting and proposing to appoint the auditor and determine the auditing fee for the year 2015 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 2015 by Miss Manee Ratanabunnakit, C.P.A. License No. 5313 or Miss Thippawan Nananuwat, C.P.A. License No. 3459 or Mr. Termphong Opanaphan, C.P.A. License No. 4501 and fixing the auditors' remuneration for the year amount Baht 1,520,000 The said auditors have no relationship or conflict of interest with the Company, executives, major shareholders or connected persons.



Ph.D. Naris Chaiyasoot  
Chairman of the Audit Committee

# 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           |

In 2015 the Nomination and Remuneration Committee held a total of two meetings, and has duly performed its duties set forth in the charter and carried out tasks mandated by the Board of Directors. Below is a summary of key developments:

## 1. Nomination of director

- The Committee nominated person to replace those Directors whose term were expired at the 2015 Annual General Shareholders' Meeting (AGM). A period of more than three months prior to the AGM was provided for shareholders to nominate candidates for the vacant positions. There was no nomination proposed to the Company during such period, the Committee, therefore, nominated qualified candidates with the required experience and expertise, suitable for the business of the Company. Those candidates were appointed as Directors by the shareholders at the AGM.

- The Committee considered appropriate candidates to replace Directors who resigned before the end of their term during the year 2015. The candidates were nominated and presented to the Board of Directors for their consideration and appointment.

- The Committee considered suitable candidates to fill those vacant positions in Sub-Committee by taking into consideration regulations set forth by the Securities and Exchange Commission, the Stock Exchange of Thailand, the Company's Articles of Association, as well as the charter of each Sub-Committee. The candidates' qualification, knowledge, expertise and relevant experiences that might benefit each Sub-Committee were also taken into account.



## 2. Remuneration

- The Committee gave consideration to the remuneration of the Company's Board of Directors and the Directors of each of the Sub-Committees for the year 2015 as well as the Directors' bonus for the year 2014. The consideration was made based on the Board of Directors' performance, economic situation, the Company's performance, and comparison with remunerations of Directors of other listed companies of similar size in the same industry then proposed to the 2015 AGM for consideration and approval.

- The Committee considered the performance and remuneration of the Company's Chief Executive Officer and President. The remuneration was determined based on a fair and reasonable basis taking into account the past year's performance and scope of responsibility and comparing it to the remuneration of chief executive officers of other companies in the same industry then proposed to the Board of Directors for approval.

## 3. Assessment of the Board of Directors' performance in 2015

- The Committee reviewed and adjusted all three assessment methods for the Board of Directors' performance in 2015, namely group assessment, individual self-assessment and cross-assessment. The goal was to make them more complete, up-to-date, and in line with good practice guidelines, the Stock Exchange of Thailand's guidelines. The assessment results are, in addition to the Company's performance, one of the criteria for determining the annual remuneration of the Directors.

- The Committee also conducted an assessment on its own performance for the year 2015 and reported the results to the Board of Directors and disclosed the same in the Annual Report.

## 4. Performance development and improvement

- The Committee reviewed the Charter of the Nomination and Remuneration Committee and increased the minimum requirement of meeting from once a year to twice a year, to be in accordance with the updated good corporate governance guidelines.

- The Committee reviewed and made changes to the Skills Matrix of the Board of Directors for consideration of director nomination to be more diversify and suitable for the business, according to international standards for nomination.

The Nomination and Remuneration Committee is committed to perform its duties in a transparent manner with strict adherence to the principles of good corporate governance. This is to ensure confidence among the shareholders and stakeholders in the Committee's nomination and remuneration processes, culminating in an excellent stature for the Company in the long run.



Ph.D. Naris Chaiyasoot

Chairman of the Nomination and Remuneration Committee

# 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 13 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. Ms. Jaruwan	Chatwichian	Director of Risk Management
5. Mr. Sarayuht	Ouybuan	Director of Risk Management
6. Mr. Sungvien	Meethong	Director of Risk Management
7. Mr. Thongchai	Wiwong	Director of Risk Management
8. Ms. Saruda	Chitchuea	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
12. Mr. Borwornrit	Laorattanakomuth	Director of Risk Management
13. Mrs. Posop	Muenanan	Director of Risk Management

Fortune Parts Industry Public Company Limited has realized and foreseen the significance of risk management which is important for business operation. Therefore, it has been defined to be the policy for the Company to assess risk, arrange training to educate the operator who can control the risk of main operation that is an essential part toward business operation whether affects production, sales and management inside the organization. Moreover, the risk management result is reported to the Board of Directors for acknowledgement in order to ensure that it is in line with the determined objectives. In 2015, Risk Management Committee held 4 meetings in total with below significant agenda.



### 1. 2015 Annual Risk Management Plan

Risk Management Committee held the meetings with every work unit of the Company for proposal of risk management plan in order to be considered by Risk Management Committee, and mutually formulated risk management plan.

### 2. Risk Assessment

Risk Management Committee handled the assessment of risk impact toward target achievement in business operation of the Company and its subsidiaries and simultaneously arranged risk level from high to low, assigned the responsible persons in finding preventive and corrective method, and risk impact abatement into acceptable level.

### 3. Risk Management

Risk Management Committee governed risk management to cover all areas such as Strategic Risk, Operation Risk, Regulation Compliance Risk, Financial Risk and other risk such as legal risk, corruption risk.

### 4. Monitoring and Supervision on Risk Management

Risk Management Committee monitored and supervised risk management result for acknowledgement on operating result and review for every 6 months whether determined risk management plan has still been effective enough and proper for internal and external situation of the Company in next 6 months period.

According to aforesaid risk management action plan in last 2015, the Company planned adequate and proper risk management. Even though occurred risk from external factors such as varied raw material prices, and decreased consumption in some industrial groups that cannot be entirely eliminated, however, the Company applied internal management method that resulted in diminished impact to acceptable level.

However, Risk Management Committee intents to determine and manage risk to prevent the occurrence of serious impact toward the Company's action plan for the Company's achievement, for maintaining maximum benefit of the shareholders and people concerned afterward.



(Mr. Anant Gatepithaya)

Chairman of the Risk Management Committee

# GENERAL COMPANY INFORMATION

Company Name	: Fortune Parts Industry Public Company Limited
SET Symbol	: FPI
Registration No.	: 0107547000508 Head office
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
Telephone	: 0-2993-4970-77
Facimile	: 0-2993-0602
Web Site	: <a href="http://www.fpiautoparts.com">http://www.fpiautoparts.com</a>
Registered Capital	: THB395,731,908.25 with a par value of THB0.25
Paid-up Capital	: THB303,062,902.25 common share with a par value of THB0.25
Company's Secretary	: Khun Jaruan Chatwichian Telephone :0-2993-4970-77 ext. 112 e-mail : <a href="mailto:sect@fpi.co.th">sect@fpi.co.th</a> e-mail : <a href="mailto:jaruan@fpiautoparts.com">jaruan@fpiautoparts.com</a>

## Investor Relation

	Name	Telephone	e-mail
1	Khun Sompol Tanadumrongsak	0-2993-4970-77 ext. 200	<a href="mailto:ir@fpi.co.th">ir@fpi.co.th</a>
2	Khun Nussara Tanadumrongsak	0-2993-4970-77 ext.100	<a href="mailto:ir@fpi.co.th">ir@fpi.co.th</a>
3	Khun Jaruan Chatwichian	0-2993-4970-77ext. 112	<a href="mailto:ir@fpi.co.th">ir@fpi.co.th</a>



## Information of Joint Venture Company

Company Name	: FORTUNR-PARTS INDUSTRY ECUADOR CIA.LTDA.
Business Type	: Designing product & making tooling for plastic automotive in South America
<b>Head Office and Factory</b>	: S/N KM 7 1/2 PANAMERICANA, SECTOR SAMANGA, UNAMUNCHO, AMBATO, TUNGURAHUA, ECUADOR
Registered Capital	: USD500,000
Paid-up Capital	: USD500,000
Company Name	: Safe Energy Group (Songkla) Co.,Ltd.
Business Type	: Biomass Power Plant Project
<b>Head Office</b>	: 11/22 Moo 20 Nimitmai Road, Lamlukka, Lamlukka, Pathumthani
Registered Capital	: THB20,000,000 with a par value of THB10
Paid-up Capital	: THB5,000,000 with a par value of THB10
Company Name	: Safe Energy Group (Yala 1) Co.,Ltd.
Business Type	: Biomass Power Plant Project
<b>Head Office</b>	: 11/22 Moo 20 Nimitmai Road, Lamlukka, Lamlukka, Pathumthani
Registered Capital	: THB20,000,000 with a par value of THB10
Paid-up Capital	: THB5,000,000 with a par value of THB10
Company Name	: Safe Energy Group (Pattani) Co.,Ltd.
Business Type	: Biomass Power Plant Project
<b>Head Office</b>	: 25/28 Moo 12 Bungkamproy, Lamlukka, Lamlukka, Pathumthani
Registered Capital	: THB20,000,000 with a par value of THB10
Paid-up Capital	: THB5,000,000 with a par value of THB10
Company Name	: Safe Energy Group (Narathiwat 1) Co.,Ltd.
Business Type	: Biomass Power Plant Project
<b>Head Office</b>	: 11/22 Moo 20 Nimitmai Road, Lamlukka, Lamlukka, Pathumthani
Registered Capital	: THB20,000,000 with a par value of THB10
Paid-up Capital	: THB5,000,000 with a par value of THB10



Company Name	: ALP FPI PARTS PRIVATE LIMITED
Business Type	: Designing product & making tooling for plastic automotive in India
Head Office	: 25/31, East Patel Nagar, New Delhi 110008 in the State of NCT of Delhi
Registered Capital	: INR100,000,000



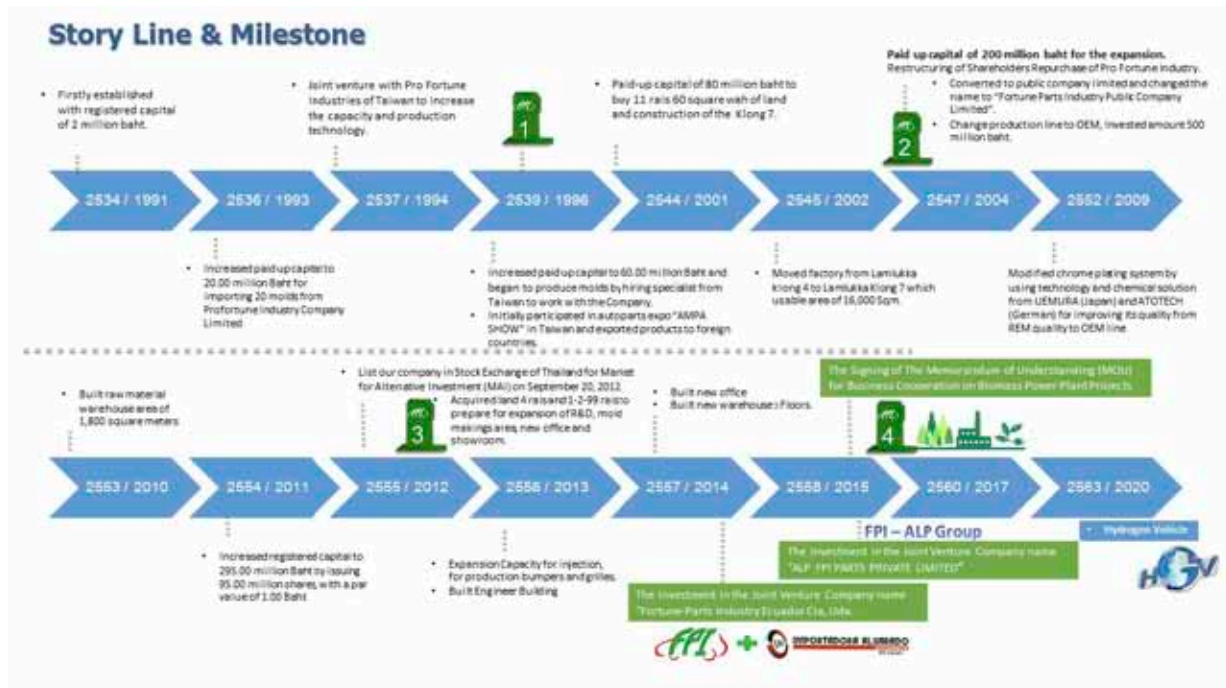
**IMPORTADORA ALVARADO**  
AUTOPARTS  
50 years



## Other Reference

Registrar	:	Thailand Securities Depository Co., Ltd.
Address	:	93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Telephone	:	0-2009-9000
Facimile	:	0-2009-9991
Auditor	:	EY Office Limited
Address	:	33 <sup>rd</sup> 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
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

# COMPANY BACKGROUND



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.<br><br>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 Lamitukka 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	<p>Restructured its shareholders since Profortune Industry Company Limited sold its business and sold the Company's shares back to Tanadumrongsak family.</p> <p>Converted to public company limited and changed the name to "Fortune Parts Industry Public Company Limited".</p>
2004-2005	<p>Increased paid up capital to 200.00 million baht for business expansion as follow:</p> <ul style="list-style-type: none"> <li>- Built factory and warehouse on area of 14 rais 1 ngan 28 sqaure wah, totally 25 rais 1 ngan 88 square wah for expanding all production processes.</li> <li>- Invested in automatic chrome plating line, which increased capacity from 13 million square decimeters per year to 49 million square decimeters per year.</li> <li>- 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.</li> <li>- 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.</li> </ul>
2009	<ul style="list-style-type: none"> <li>- 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 (Cr3+) which used better biodegradable chemical solution than Hexavalent Chrome (Cr6+) and increased capacity by 5 million square decimeters to 54 million square decimeters per year.</li> </ul>
2010	<ul style="list-style-type: none"> <li>- Built raw material warehouse area of 1,800 square meters.</li> <li>- Invested in 4 injection machines, total 20 injection machines which increased its capacity to 4,103 tons per year.</li> <li>- Built a painting line, total 3 lines, capacity was increased by 15.72 million square meters to 22.22 million square meters</li> <li>- Purchased nearby land area 20 rais 4 square wah prepared for automotive customers' demand and separated OEM and REM customers.</li> </ul>

- 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.
  - First Dat Trade in Stock Exchange of Thailand for Market for Alternative Investment (MAI) on September 20, 2012.
- 2013
- Built Engineer Building for expnsion capacity of injection mold 30%
  - Expansion Capacity for injection, for production bumpers and grilles.
  - Expansion Vaccum Plating Process to accommodate growth in production lamps.
  - Built new office, progress 80%
  - Built new warehouse, progree 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, progree 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 Million share to 1,280Million ordinary share and paid-up capital 301 Million share to 1,202 Million 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.

2015

- increase in the Company's registered share capital from Baht 320 million (1,280 million ordinary shares of Baht 0.25 each) to Baht 395.73 million (1,582.92 million ordinary shares of Baht 0.25 each), through the issuance of 302.92 million additional ordinary shares with a par value of Baht 0.25 each, to be reserved for the exercise of the warrants.
- Paid-up 45% of share capital of USD500,000 to Fortune-Parts Industry Ecuador CIA, LTDA. Representing a total investment of USD225 000 US dollar. Located in Ecuador
- issuance and offering of named and transferable warrants (FPI-W1). Allocated to the existing shareholders of the Company in a ratio of 1 warrant for every 4 existing ordinary shares, not exceeding 302.92 million units, term not exceeding 3 years from the issue date, exercise ratio 1 warrant per 1 ordinary share and exercise price 2 Baht.
- Construction of office building, Showroom and warehouse building completed.
- Increase capacity by adding an injection molding machine with 2500 tons and 1000 tons of cargo capacity added to Plastic Bumper and grille.
- Chrome plating process to enhance production quality, giving rise to a market segment OEM.
- Signed a Memorandum of Understanding (MOU) for cooperation in the biomass power plant of up to 120 MW. And has already established four companies, each company has a registered capital of 20 million Baht, the company has paid the amount of 4.75 million Baht.
- Signed a Memorandum of Understanding (MOU) on cooperation in India. To establish a Joint Venture ALP FPI PARTS PRIVATE LIMITED, to expand production of the OEM market, which is large and has a high growth rate.

## Activities



### Opportunity Day

23 February 2015



### Annual General Meeting of Shareholders for years 2015

4 April 2015



### Analyst Meeting

29 June 2015







The Signing of The Memorandum of Understanding (MOU) for Business Cooperation on Biomass Power Plant Projects

28 June 2015



mai Forum 2015

1 July 2015



Insight Inspire on Money Channel

8 July 2015





## SD Talk :

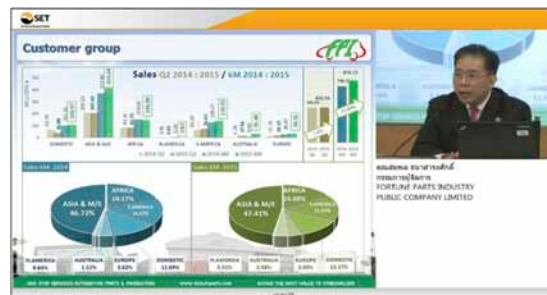
The Road towards Corporate Sustainability

17 July 2015



## Opportunity Day Q2/2015

27 August 2015



## Analyst Meeting

27 October 2015



## Thailand Focus 2015

“Opportunity Growth and Reform”

2 December 2015

**THAILAND**  
Focus 2015  
Opportunity Growth and Reform

Bank of America  
Merrill Lynch

SET  
Stock Exchange of Thailand

Phatra  
A member of Phatra Financial Group





## MOU FPI –ALP Group ALP FPI PARTS PRIVATE LIMITED

23 December 2015



## Grand Opening New office & New Warehouse

25 December 2015








# TYPE OF BUSINESS

Fortune Parts Industry Company Limited engages mainly in the manufacture of automotive parts made of plastic. And a center of distribution. The auto spare parts replacement And auto spare parts under various brand cars. The service contract injection molding chromium-plated and painted plastic. The products and services of the Company. Can be categorized as follows:

**Product Variety and Services**

"FPI" 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.

1. Products Produced by FPI	2. Trading Products	3. Services
<b>1.1 REM (Replacement Equipment)</b> 	<b>2.1 REM (Replacement Equipment)</b> 	 <ol style="list-style-type: none"> <li>1. Product Design</li> <li>2. Mold Design &amp; Making</li> <li>3. Plastic Injection Molding</li> <li>4. Plastic Plating</li> <li>5. Plastic Painting</li> </ol>
<b>1.2 OEM (Original Equipment)</b> 	<b>2.2 OEM (Original Equipment)</b> 	

## 1. Products produced by FPI

### 1.1 Replacement Equipment Manufacturing : REM

- Grille and Head Light Door
- Bumper and Valance Panel
- Auto Lamps
- Spoiler, Skirt Set

### 1.2 Original Equipment Manufacturing : OEM , accessories parts increase the valule of product such as

Front Bumper Guard, Over Fender, Side Cladding, Head Lamp Cover, Tail Lamp Cover, Mirror Cover, Spoiler and Skirt Set, including electrical parts.

## 2. Trading Product, In order to have a product according to customer requirements.

### 2.1 Replacement Equipment REM)

- Bumper, Grille, Head Lamp, Tail Lamp
- Replacement parts are made of metal such as Hood, door panels, fenders, radiator mounting.
- Replacement parts such as rubber products, boiler components, the suspension filter.

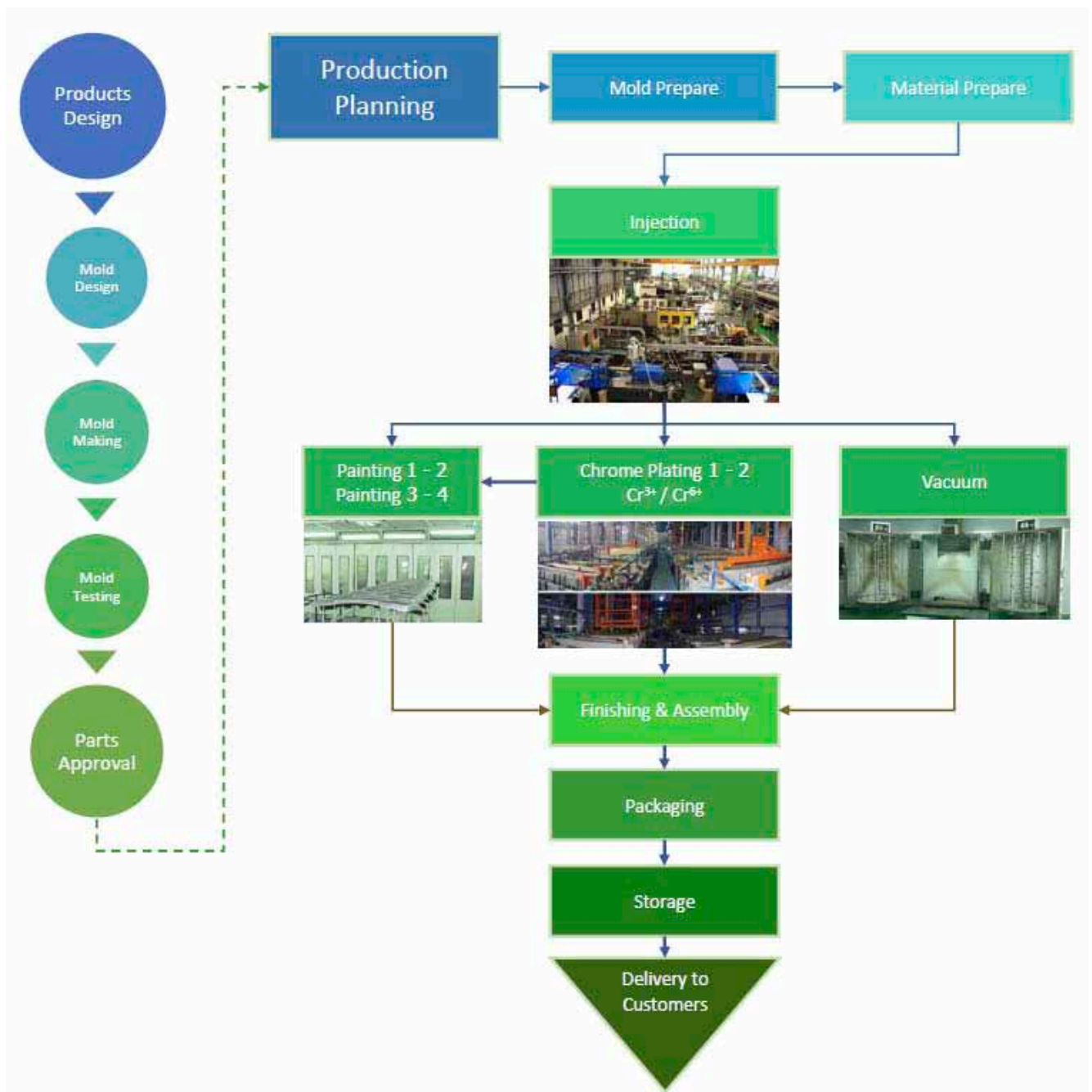
### 2.2 Spare parts for cars under OEM such as doors, hood, grille, headlights, taillights, bumpers etc.



3. Other products the company sold to the factory, the company hired to produce the products to the company, such as plastic containers, packaging, as well as the suppliers who do not meet the current production of the Company.

4. Other services provide injection mold, chrome plating and painting.

Process diagrams



# INCOME STRUCTURE

The revenue of the company for the years 2013-2015 are categorized based products and services company.

The Company's products are produced, products purchased for resale, revenue from services and others are detailed below.

Revenue Classification	2013		2014		2015	
	MB	%	MB	%	MB	%
Products Produced by FPI						
1. Replacement Equipment						
Manufacturer (REM) Plastic Parts						
- Grille and Head Light Door	320.74	18.63	290.82	15.81	281.18	15.14
- Bumper and Valance Panel	409.31	23.77	444.58	24.16	517.42	27.87
- Auto Lamps	24.85	1.44	17.63	0.96	12.48	0.67
- Other Replacement Parts	56.52	3.28	69.25	3.76	59.66	3.21
2. Original Equipment Manufacturer	147.48	8.56	144.79	7.87	220.80	11.89
(OEM) Plastic Parts						
Total Revenue from Products Produced by FPI	958.90	55.69	967.07	52.55	1,091.54	58.78
Trading Products						
1. Replacement Equipment						
Manufacturer (REM) Parts						
- Replacement Equipment	158.05	9.18	200.02	10.87	171.23	9.22
Manufacturer Plastic Parts						
- Replacement Equipment	250.52	14.55	274.41	14.91	287.63	15.50
Manufacturer Metal Parts						
- Other Replacement Equipment	31.27	1.82	85.38	4.64	47.64	2.56
Manufacturer Parts	244.36	14.19	222.76	12.10	199.83	10.76
2. Original Equipment Manufacturer						
(OEM) Plastic Parts						
Total Revenues from Trading Products	684.20	39.73	782.57	42.52	706.33	38.04
Revenues from Other Products	5.44	0.32	7.16	0.39	19.47	1.05
Total Revenues from Sales	1,648.54	95.74	1,756.80	95.46	1,817.34	97.87
Revenues from Services	11.84	0.69	6.17	0.34	1.60	0.06
Other Revenues <sup>1)</sup>	61.58	3.57	77.43	4.20	38.53	2.07
Total Revenues	1,721.96	100.00	1,840.40	100.00	1,857.47	100.00

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

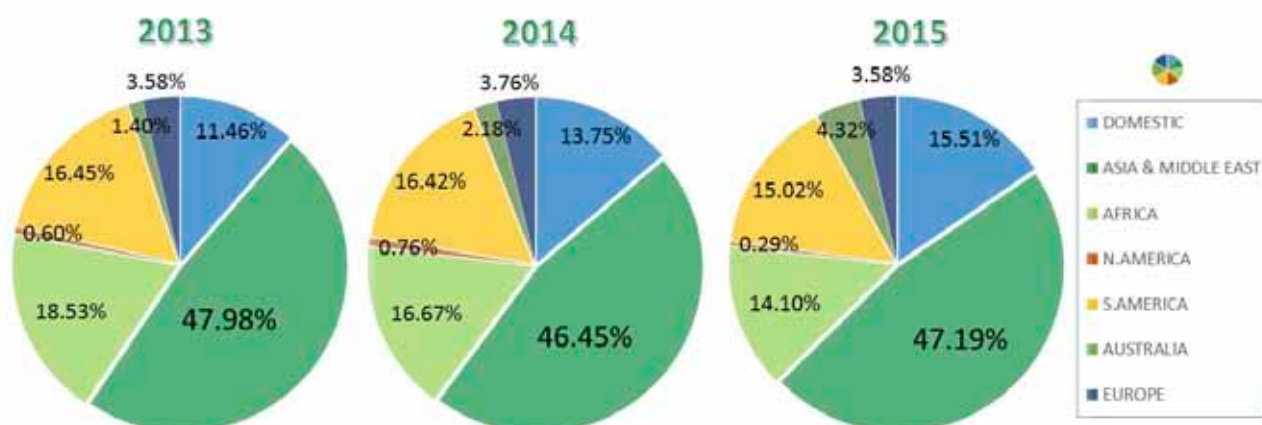


Revenue from FPI Products



Revenues from Trading Products

## Customer group by Zone (%)



## Total Revenue (Million Baht)



# 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 othe accessories.



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



- Build Business alliance for plastic O.E.M





## 2 Trading Products

- 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 :



To accommodate future growth, both domestic and foreign companies have invested in the office building



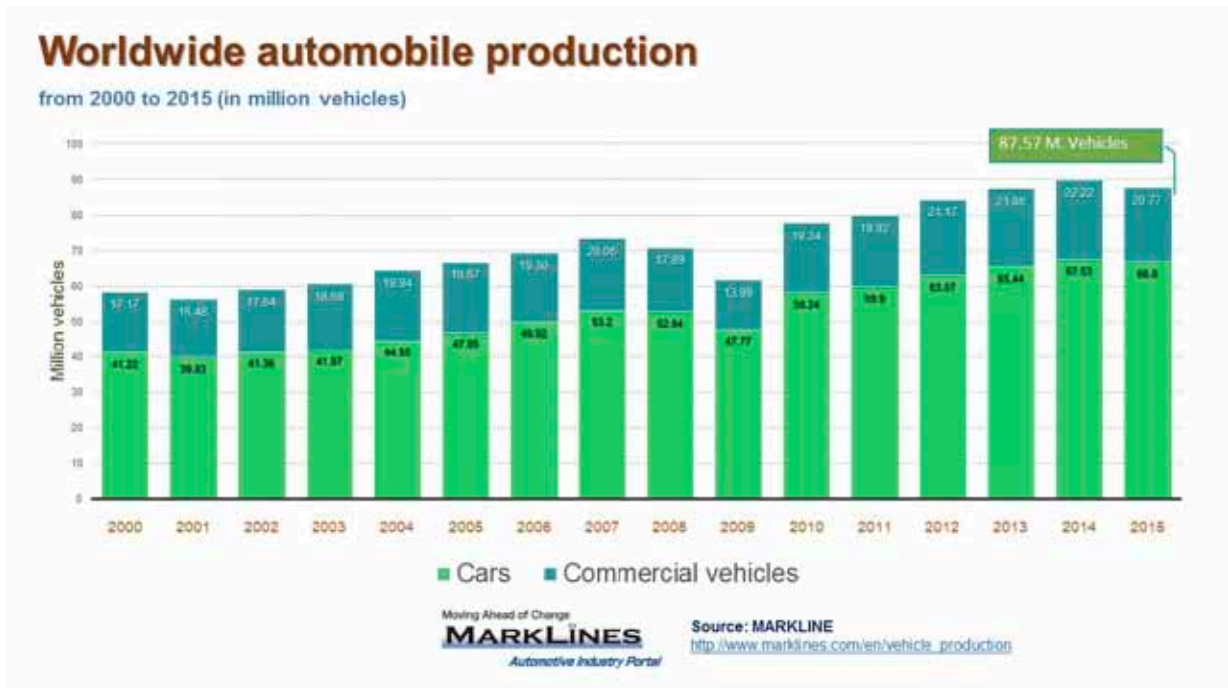
- New office building areas 2,800 square meters amount Baht 50 million (including built-in)



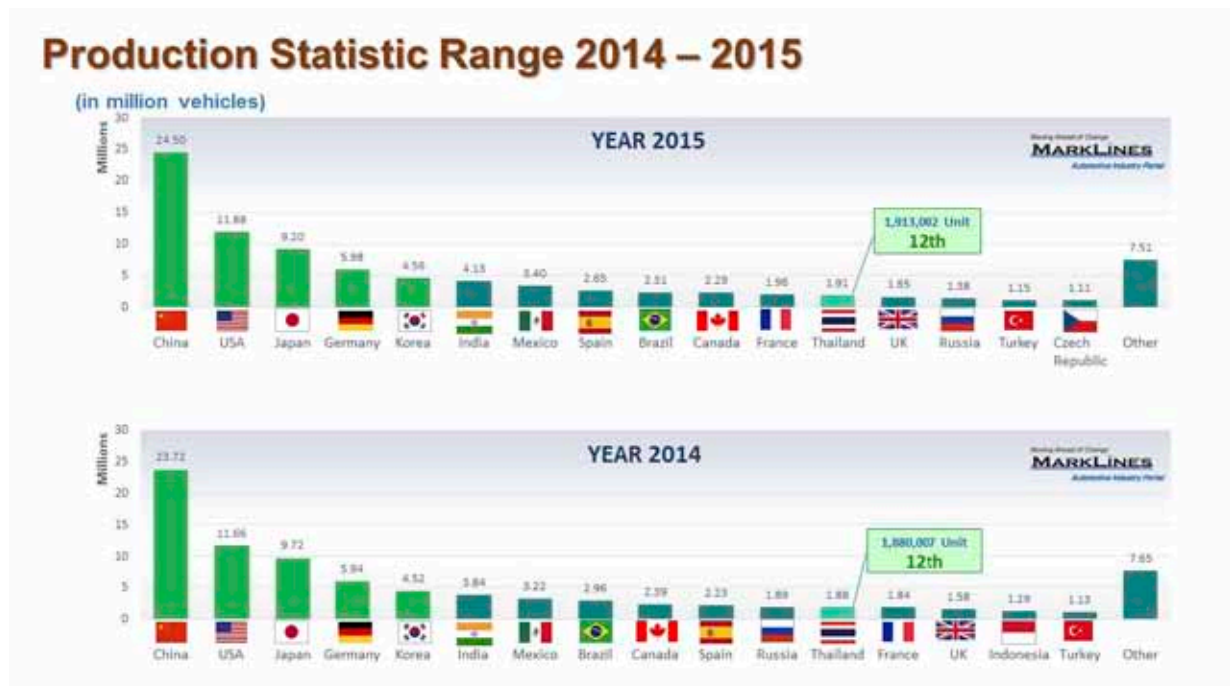
- New warehouse area 28 rai, the ares about 10 rais in the first phase and the capacity to accommodate new products, up 48,000 squre meters from 24,000 square maters, total 72,000 square meters or increase 50%.

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

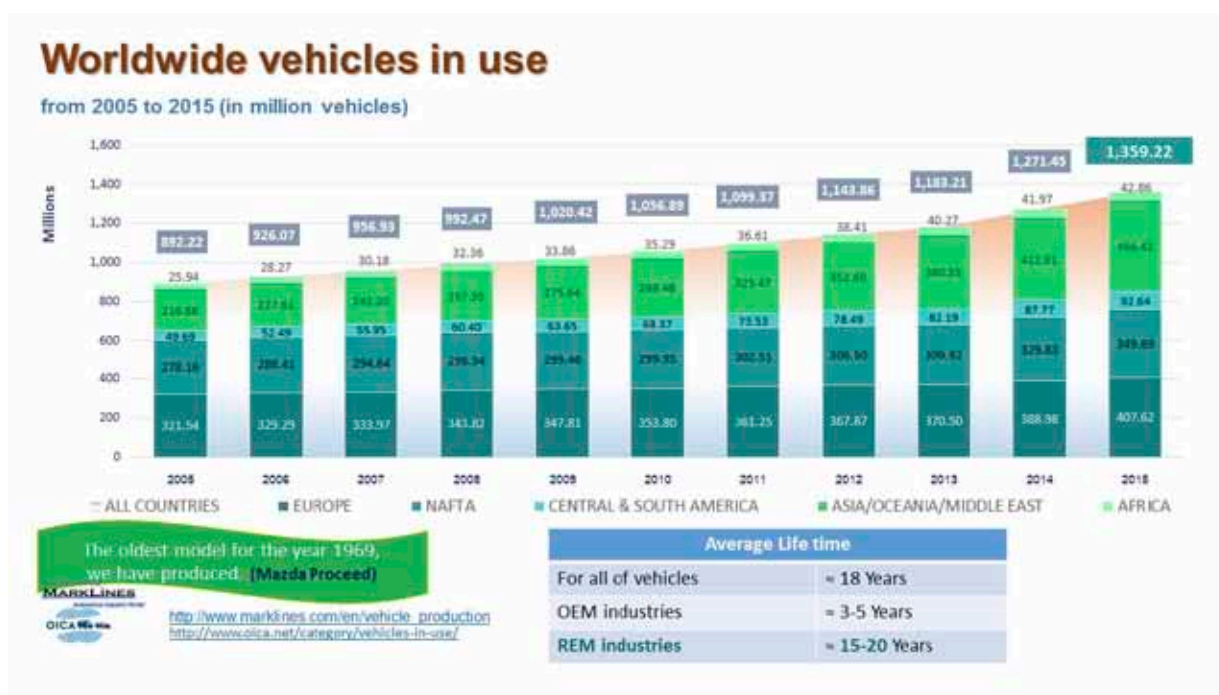
# ECONOMY AND INDUSTRY



The automobile industry in 2015, the global production of 87.55 million units, a passenger car, including cars, pick-ups and SUV and MPV total 66.80 million cars and commercial vehicles including vans, trucks, buses and more total 20.757 million units. Overall production decrease by 2.43 percent.



The production. The country's automobile production in Thailand a year 2015 with volume production vehicles 1,913,002 units compared to the same period last year. The production volume of 1,880,007 units, increase by 1.76 Percent.



The sales volume of cars sold worldwide of 2015, sales volume stood at 87.77 million units, a personal vehicle (cars, pick-ups SUV and MPV) 64.43 million cars and commercial vehicles (vans, trucks, buses, etc.) 23.34 million units respectively.

For the automobile industry in Thailand. In 2016 expected production cars, about 2,150,000 increase 10.26 percent the produce for sale in the country about 900,000 cars increased 6.67 percent, and is produced for export about 1,250,000 cars increased percent 4.17 percent, which is consistent with the predictions of the Bank of Thailand Expected gross domestic product (GDP) years 2016 growth and percentage over 3.7 percent main export market is likely to adapt better. According to the recovery of the global economy the production for sale in the country approximately 40-45 percent and production for export 55-60 percent. (Source: The Office of Industrial Economics).

# 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 2013 and 2014, and 2015 the proportion of plastic purchased to total raw material purchased were 54.93% and 55.04% and 59.29% respectively. These material values vary according to crude oil price and the demand and supply of those materials in the global market during the different period which is the uncontrollable factor of the Company. However, the Company has assigned a specific work force to closely monitor the price of materials, tendency analysis and assessment of material need. Furthermore, the Company has a policy not to rely on any single supplier, as a result the effect on this risk on the Company is not much.

## 2. Risk on the fluctuation of exchange rate

Almost all of the Company's revenues are in US Dollar which generates from export representing 88.54% and 86.25% and 84.44 from total sales of 2013 and 2014 and 2015. 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 in Thailand. Due to the relocation of 1 ton pick up production base to Thailand in 1993, Auto Industry has grown continually. In 2014 the automotive production volume is 1.88 million cars from 1.91 million cars from 2015. 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 1,900 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%-9% 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 of water management

In 2015, severe drought greatly affected Thailand as a result of climate change. There was a lack of water in many parts of the country. An effective water management for all is vital. Despite not having been affected, FPI cannot rest assured that water shortage will not be a problem in future. Therefore, FPI has prepared the mitigation measures to ensure of our precautionary readiness. FPI's strategy is to use water effectively through both reduction and reuse of water. FPI has already prepared a reserve of water supply in addition to closely monitor the government's water management. The 3R's (reduce, reuse, and recycle) project has been applied to manage water, emphasizing the reduction of water consumption to a suitable level by improving the production (reduce), reusing water to curb reliance on outside water sources (reuse), and treating water to recirculate it back into the production process (recycle). This project will reduce FPI's reliance on outside water sources in overall. As such, FPI is confident in its preparedness to handle drought situations and will be even better equipped when all the measures are put in place.

## 8. Innovation Risk

FPI is dedicated to research & development (R&D), and innovation, which are key components in augmenting the Company's strength and competitiveness. Innovation also enables FPI to consistently grow with sustainability. FPI focuses on product development to meet customer expectation and on process innovation to increase its efficiency and productivity. In the past year, FPI has developed new products to create further added value, as well as taken part in investments that will provide access to technologies and uplifting its capability. The following are measures that will allow FPI to grow steadily and sustainably through works of research, development, and innovation. Considering the crucial factor toward the successful research, FPI has come up with competency development guidelines to enhance the potential and readiness for researchers and employees in Research & Development function. To retain personnel with expertise, FPI offers a recognition and incentives program comparable to international standards in the Sciences. Inter-organizational employee exchange program with Joint Venture (JV) companies allows

knowledge transfer to FPI's research and development function. These measures will strengthen FPI's potential in R&D, which in turn shall lead to a strong and sustainable business growth for the Company.

#### 9. Risks from Having a Group of Major Shareholders with Total Shares Over 50%

As of 31 December 2015, the holdings of Tanadumrongsak's's group accounted for 897,138,400 shares, which is 74.03% of all distributed company shares, thereby causing the aforementioned group of shareholders to have power to control the company with influence in nearly every company decision whether concerning appointments of directors, requests for decisions on other topics requiring a majority vote of the shareholders' meeting, except for issues stipulating by laws or company regulations a requirement of votes amounting to no less than three out of four from the shareholders' meeting. Therefore, other company shareholders are at risk from their inability to collect votes to check and balance issues proposed by major shareholders for the consideration of the shareholders' meeting. Nevertheless, the company has appointed the Audit Committee to check, consider and screen prevent agenda items posing potential conflicts of interest in the future and to generate transparency in the company's operations. The structure of the company's board of directors consists of one executive directors and five non-executive directors, including the Chairmen of the company's board of directors and three audit directors. The aforementioned director structure will help create balance in votes considering various issues and help with the supervision and management of work for suitability and maximum efficiency.

# SECURITIES AND SHAREHOLDER INFORMATION

## 1. The Number of Registered and Paid-up Capital

At December 31, 2015 company has registered capital of 395,731,908.25 Baht. It is divided into ordinary share 1,582,927,633 shares, registered share with paid-up 302,952,883.50 Baht which divided into ordinary share 1,211,811,534 shares, par value 0.25 Baht.

## 2. Shareholders Structure

Shareholding structure as of December 31, 2015 as follows:

	Shareholders name	No. of Shares	%
1	Mr.Sompol Tanadumrongsak	402,288,000	33.20%
2	Miss Atchara Tanadumrongsak	139,200,000	11.49%
3	Mr.Yanyongchai Tanadumrongsak	86,768,000	7.16%
4	Mr.Apsit Tanadumrongsak	86,768,000	7.16%
5	Mr.Somkit Tanadumrongsak	86,768,000	7.16%
6	Mrs.Raweewan Mathong	43,384,000	3.58%
7	Mr.Por Tanadumrongsak	43,384,000	3.58%
8	Miss Maleerat Tanadumrongsak	39,440,000	3.25%
9	Mr.Surapol Piyathitivorakul	23,800,000	1.96%
10	Miss Patsuda Wongves	11,963,900	0.99%
11	Others Shareholders	248,047,634	20.47%
	Total	1,211,811,534	100.00%

## 3. The Shareholders of the Company and the spouse

+/-

	Name	Year 2013	Year 2014*	Year 2015	
1	Mr. Sompol Tanadumrongsak	100,572,000	402,288,000	402,288,000	no changed
2	Mr. Somkit Tanadumrongsak	21,692,000	86,768,000	86,768,000	no changed
3	Mr. Yanyongchai Tanadumrongsak	21,692,000	86,768,000	86,768,000	no changed
4	Mr. Por Tanadumrongsak	10,846,000	43,384,000	43,384,000	no changed
5	Mrs. Raweewan Mathong	10,846,000	43,384,000	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	155,700	622,800	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 2015.

-None-

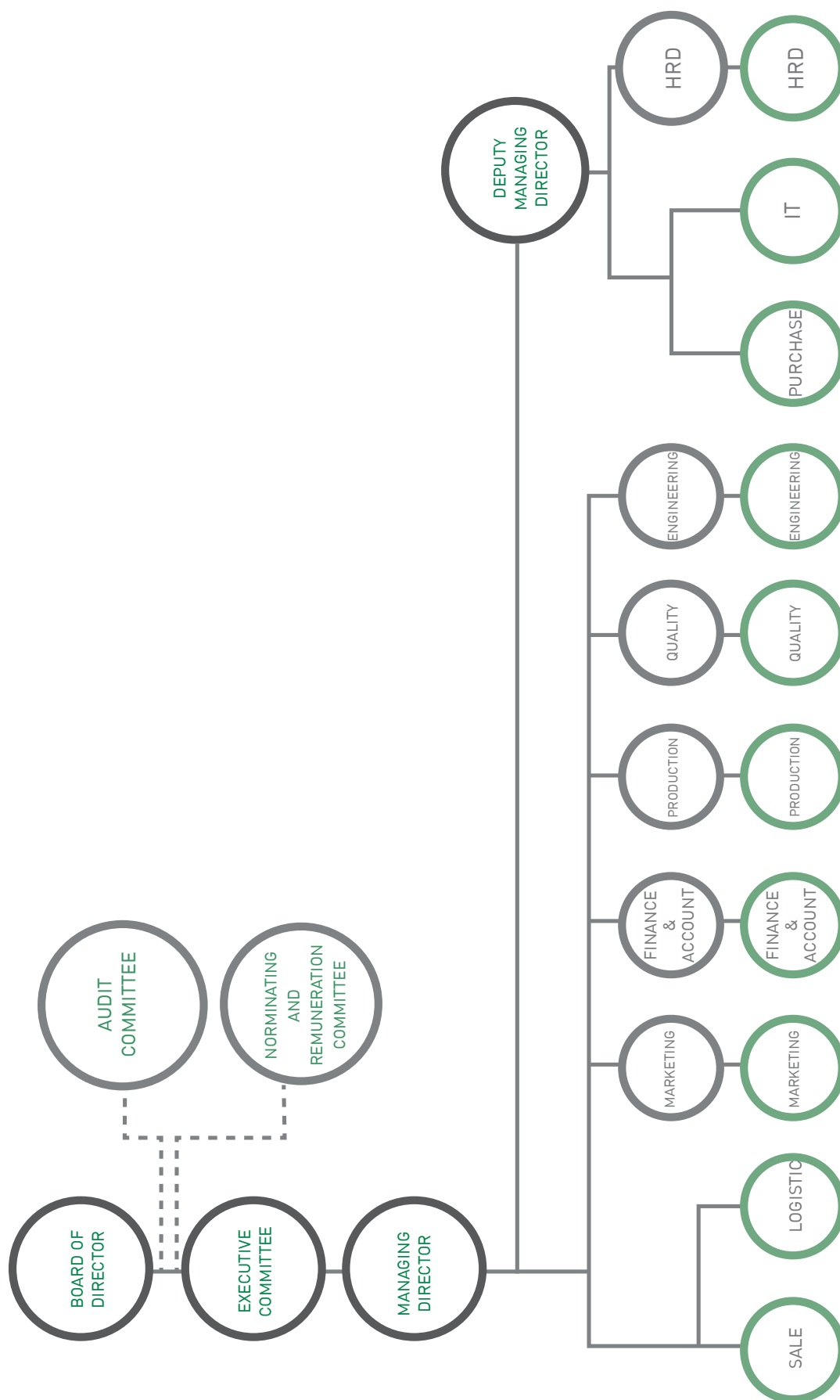


# DIVIDEND POLICY

## 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



# BOARD OF DIRECTOR



**Mr. Por Tanadumrongsak**

Chairman of the Board of Director



**Mr. Sangcharean Tanadumrongsak**

Vice Chairman



**Mr. Sompol Tanadumrongsak**

Managing Director/ Chairman of Executive Committee



**Mrs. Raweewan Mathong**

Director



**Mr. Yanyongchai Tanadumrongsak**

Director



**Mr. Somkit Tanadumrongsak**

Director



**Ph.D. Naris Chaiyasoot**

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



**Mr. Anant Gatepithaya**

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



**Mr. Pumipat Sinacharoen**

Director/ Audit Committee/ the Nomination and Remuneration Committee

# BOARD OF DIRECTOR MANAGEMENT AND COMPANY SECRETARY

1. Mr.Por Tanadumrongsak Age 88 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 : 3.58

Directorship held in other listed company : Nil





2. Mr.Sangcharean Tanadumrongsak Age 60 Years

Vice Chairman

Education

- Bachelor of Living Design, Chiyoda Institute of Technology, Japan

Training Program

- Director Accreditation Program (DAP) # 19/2004
- Thammasat Leadership Program “Thammasat for Social” # 5 Thammasat University

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



3. Mr.Sompol Tanadumrongsak

Age 49 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

Traing Program

- Director Accreditation Program (DAP) # 93/2011 Thai Institute of Directors (IOD)
- ACEP 12/2014 Thai Institute of Directors (IOD)
- Anti-Corruption : The Practice Guildline (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
- Capital Market Academy Program # 21 Capital Market Academy
- CG Report
- IR Workshop # 4/2015 "Simplifying the IR message"
- Enterprise Risk Management
- OppDay Audition 2015

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
  
- 2015-2018          Director  
MAI Association (MAI A)

% of Total Share :      33.20

Directorship held in other listed company : Nil

4. Mrs.Raweewan Mathong Age 86 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– PresentDirector  
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 :      3.58

Directorship held in other listed company : Nil



5. Mr.Yanyongchai Tanadumrongsak Age 55 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)
- Thammasat Leadership Program “Thammasat for Social” # 5 Thammasat University

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– PresentDirector  
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 :                7.16

Directorship held in other listed company : Nil



## 6. Mr.Somkit Tanadumrongsak

Age 53 Years

Director

## Education

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



## Traing 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– PresentDirector  
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 : 7.16

Directorship held in other listed company : Nil

7. Ph.D.Naris Tanadumrongsak

Age 61 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

Traing 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

- 2015 – Present Chairman  
Banpu Power Public Company Limited
- 2015 – Present Chairman  
RX Co., Ltd.
- 2015 – Present Consultant  
Organization for Reserches in art,culture, urban and leisure development ,  
Japan
- 2015 Deputy Permanent Secretary, Ministry of Finance
- 2012 – Present Director/ Chairman of the Audit Committee  
Fortune Parts Industry Public Company Limited  
Automotive Parts Industry

- 2014 – 2015                      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
- 2012 – Present                      Director/ Chairman of the Audit Committee  
Fortune Parts Industry Public Company Limited  
Automotive Parts Industry
- 2010-2011                      Director-General, The Treasury Department, 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
  - 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, 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
- Chairman, Government Housing Bank
  
- Board member, Thai Prosperity Advisory Company Limited
- 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, Faculty of Economics, Thammasat University
- President, Thewphaingarm Parent and Teacher Association

% of Total Share : Nil

Directorship held in other company : 2 Company

## 8. Mr.Anant Gatepithaya

Age 65 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 รุ่นที่ 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 2<sup>nd</sup> 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 Committe  
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

9. Mr.Pumipat Sinacharoen Age 46 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, 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





10. Mrs. Nussara Tanadumrongsak Age 47 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 "Thammasat for Social" # 4 Thammasat University
- 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
- CG Report
- IR Workshop # 4/2015 "Simplifying the IR message"
- Enterprise Risk Management
- OppDay Audition 2015

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

11. Mr.Sarayut Oyubuan

Age 47 Years

Executive Committee/ Quality Manager/ Director of Risk Management

Education

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

Training Program

- Social Enterprise for Executive, Asian Institute of Technology
- Sustainability Risk and Materiality Analysis
- CSR for Corporate Sustainability
- GIZ Office Bangkok for EU Green Auto Parts Project
- Risk Management Strategy
- Enterprise Risk Management
- CG Report

Work Experience during 5 years

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

% of Total Share :              Nil

Directorship held in other listed company : Nil



12. Mr. Sungvien Meethong Age 49 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
- Sustainability Risk and Materiality Analysis
- CSR for Corporate Sustainability
- GIZ Office Bangkok for EU Green Auto Parts Project
- Enterprise Risk Management

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



13. Mr.Thongchai Wiwong

Age 41 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
- Sustainability Risk and Materiality Analysis
- CSR for Corporate Sustainability
- GIZ Office Bangkok for EU Green Auto Parts Project
- Enterprise Risk Management

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



14. Ms.Saruda Chitchuea

Age 44 Years

Executive Committee/Human Resource Manager/ Director of Risk Management

Education

- Bachelor of Chemistry, Ramkhamhaeng University
- Master of Science, King Mongkut's Institute Of Technology, Ladkrabang



Training Program

- March-July 2009 : Cost of Quality by Thailand Productivity Institute
- May-August 2009 : Lean Manufacturing by Department of Industrial promotion
- August 19-20, 2009 : ISO 9001: 2008 By Thailand Productivity Institute
- July-September 2009 :Hot oil Conservative Program by Department of Industrial promotion
- August -December, 2009 : Toyota Production System by Thailand Automotive Institute
- October-July 2010 :TLS 8001-2003 by Department of Industrial promotion
- March-July 2010 : Cost Management and Reduction Program by Department of Industrial promotion
- February 26-29 ,2013 : Thailand Quality Award Criteria for Assessor by Department of Industrial promotion
- March 27-29 ,2013 : Thailand Quality Award Pre-Assessor by Department of Industrial promotion
- May 4-6 ,2013 : Thailand Quality Award Assessor by Department of Industrial promotion
- March 10-29 ,2014:\_Neuro-Linguistic Programming by Mr. Barney Wee
- July –October ,2014: Cost reduce and Increase Productivity Programs with Lean Manufacturing By Department of Industrial Works
- Enterprise Risk Management

Work Experience during 5 years

- 2015 – Present                      Executive Committee/ Human Resource Manager  
Fortune Parts Industry Public Company Limited  
Automotive Parts Industry
- 2014 – 2015                      Deputy Managing Director  
Progress Food Processing Co,ltd.  
Chicken meat Manufacturer and exported to Japan
- 2013 – 2014                      Factory Manager  
Sirimanit Co ,Ltd. and Nara Factory Co,Ltd.



Modeling Clay ,Dough and Natural Clay

% of Total Share : Nil

Directorship held in other listed company : Nil

15. Ms.Jaruwan Chatwichian Age 48 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
- IR Workshop # 1/2015 "CEO in IR role and his key challenges"
- IR Workshop # 2/2015 "How mid-small caps overcome the challenges of sparking investor interest, securing analyst coverage and maintaining liquidity?"
- IR Workshop # 3/2015 "MD&A Best Practice – Learn from the Pros"
- IR Workshop # 4/2015 "Simplifying the IR message"
- "The UK Experience on Implementing the Enhanced Auditor Reporting"
- Good Practices for Analyst Presentation
- Financial Instrument for Directors "ESOP/EJIP"
- Strategic CFO in Capital Markets"
- CG Report
- Enterprise Risk Management

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

# ORGANIZATION STRUCTURE

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

## 1. Board of Directors

The Board of Directors as of December 31, 2015 comprises 9 members as follows:

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

Miss 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 Tadadumrongsak 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, 2015 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

Executive committee comprises 7 members as follows:

Name - Surname	Position
1. Mr.Sompol Tadadumrongsak	Chairman of Executive Committee
2. Mrs.Nussara Tanadumrongsak	Vice Chairman of Executive Committee
3. Mr.Sungvien Meethong	Executive Committee
4. Mr.Sarayuht Ouybuan	Executive Committee
5. Mr.Thongchai Wiwong	Executive Committee
6. Ms.Jaruwan Chatwichian	Executive Committee
7. Ms.Saruda Chitchua	Executive Committee

## Scope of Authority and Duties of the Executive Committee

1. Proposal of goals, policies, business plans, including the company's business strategies and annual budgets for consideration of approval by the company's board of directors.
2. The executive board of directors must supervise compliance of the company's businesses with policies, work plans and budgets approved by the company's board of directors.
3. Consideration of approval of the company's regular business transactions, such as investments to purchase machinery and other properties in line with investments or budgets approved by the company's board of directors, purchases of raw materials into warehouses, sales of goods, etc. The balances for each transaction must be made under authority with the approval of the company's board of directors.
4. Establish corporate structure, authority to administrate the corporation and consider adjusting the salaries and bonuses of employees at levels lower than departmental managers, including consideration of approval of labor rates not included in annual budgets.
5. The executive board of directors has the authority to appoint or employ consultants associated with corporate administration for maximum efficiency.
6. The executive board of directors must consider the company's profits and losses and propose interim dividend payments or annual dividends for approval from the company's board of directors.
7. The executive board of directors has the authority to authorize any person or persons to operate under the control of the executive board of directors or authorize the aforementioned person or persons to have authority as deemed fitting by the executive board of directors within a period of time deemed fitting by the executive board of directors. The executive board of directors may cancel, withdraw, change, or revise authorized persons or authorizations as deemed necessary.
8. Perform other duties assigned by the company's board of directors. Authorizations of authority, duties and responsibilities by the executive board of directors must not be characteristic of authorizations or temporary authorizations enabling the person or persons authorized by the executive board of directors to approve of transactions in which that person or other persons have potential conflicts of interest (according to the definitions set forth in the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) as stakeholders or with any other conflicts of interest with the company or its subsidiaries and/or related companies. The executive board of directors does not have the authority to approve of actions regarding the aforementioned issues. The aforementioned issues must be presented to the meeting of the board of directors and/or the meeting of shareholders (depending upon the case) for approval, except for approval of transactions under normal business and trade conditions according to the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

#### 4. Company Secretary

The resolution of the board of director 5/2554 on July 22, 2011 appointed Miss Jaruwan Chatwichian is company secretary to act as of work for company secretary. According to the regulation in article 89/15 of the Public Company Act 1992 , company secretary have a responsibility as follow;

##### 1. Produce and keep the following documents

- (a) Registration of Members of the Board of Directors
- (b) Board Meeting invitations, Board Meeting Reports and the Company's Annual Reports.
- (c) Shareholders' meeting invitations and shareholders' meeting reports.
- (d) The Company's Annual Reports.

##### 2. Keep stakeholder reports that have been submitted by members of the Board of Directors or the Executive committee

##### 3. Be responsible for any other task following orders and announcements of the Capital Market Supervisory Board.

##### 4. Ensure that all information is disclosed in accordance with The Stock Exchange of Thailand and The Office of the Securities and Exchange Commission and other related organization.

##### 5. Communicate with shareholders, investors, and related organization as well as inform useful company information to interested person and stakeholders.

##### 6. Provide preliminary advice and recommendation pertaining to legal, regulatory, and governance issues and practices to the Committee, Sub-committee.

##### 7. Attend course or training aimed to improve skill and knowledge for secretary and Tend to various other tasks either unique to a company or simply "as assigned".

#### 5. 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 :

	Name – Surname	Position
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.

The Nomination and Remuneration Committee, proposed charter The Nomination Committee The scope and authority of the committee to the Board of Directors Meeting No. 5/2556 held on August 10, 2013, To consider and approve the Charter of the Nomination and Remuneration Committee. 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. 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. 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. No other characteristics that make it impossible to comment freely about the format and rules for the remuneration of directors and executives. 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. 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.

The Nomination and Remuneration Committee has scope of duties to elect 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 GeneralMeeting for their

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

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.

In 2015, 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.

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. 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. 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. 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.

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

## 6. Risk Management Committee

The Risk Management Committee consists of 1 independent director served as Chairman of the Risk Management Committee, 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 consists of executive

directors, independent director and management who have experiences, knowledge and understanding of business operations and risk management. There are altogether 13 members as follows:

Name – Surname			Position
1	Mr. Anant	Gatepithaya	Chairman of the Risk Management Committee
2	Mr. Sompol	Tanadumrongsak	Vice Chairman of the Risk Management Committee
3	Mrs.Nussara	Tanadumrongsak	Director of Risk Management
4	Ms. Jaruwan	Chatwichian	Director of Risk Management
5	Mr. Sarayuht	Ouybuan	Director of Risk Management
6	Mr. Sungvien	Meethong	Director of Risk Management
7	Mr. Thongchai	Wiwong	Director of Risk Management
8	Ms. Saruda	Chitchuea	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
12	Mr. Borwornrit	Laorattanakomuth	Director of Risk Management
13	Mrs. Posop	Muenanan	Director of Risk Management

Fortune Parts Industry Public Company Limited has realized and foreseen the significance of risk management which is important for business operation. Therefore, it has been defined to be the policy for the Company to assess risk, arrange training to educate the operator who can control the risk of main operation that is an essential part toward business operation whether affects production, sales and management inside the organization. Moreover, the risk management result is reported to the Board of Directors for acknowledgement in order to ensure that it is in line with the determined objectives. In 2015, Risk Management Committee held 4 meetings in total with below significant agenda.

#### 1. 2015 Annual Risk Management Plan

Risk Management Committee held the meetings with every work unit of the Company for proposal of risk management plan in order to be considered by Risk Management Committee, and mutually formulated risk management plan.



## 2. Risk Assessment

Risk Management Committee handled the assessment of risk impact toward target achievement in business operation of the Company and its subsidiaries and simultaneously arranged risk level from high to low, assigned the responsible persons in finding preventive and corrective method, and risk impact abatement into acceptable level.

## 3. Risk Management

Risk Management Committee governed risk management to cover all areas such as Strategic Risk, Operation Risk, Regulation Compliance Risk, Financial Risk and other risk such as legal risk, corruption risk.

## 4. Monitoring and Supervision on Risk Management

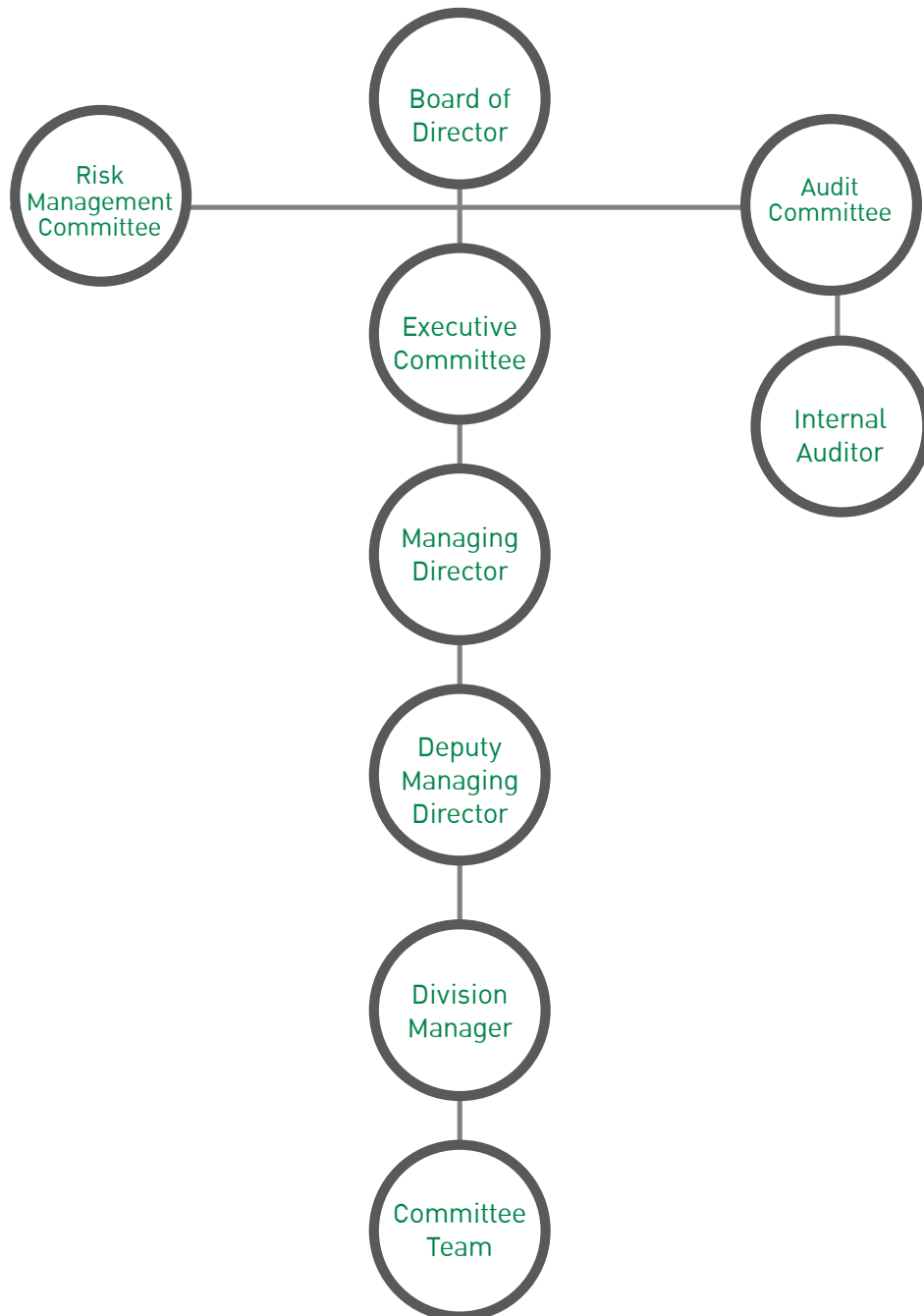
Risk Management Committee monitored and supervised risk management result for acknowledgement on operating result and review for every 6 months whether determined risk management plan has still been effective enough and proper for internal and external situation of the Company in next 6 months period.

According to aforesaid risk management action plan in last 2015, the Company planned adequate and proper risk management. Even though occurred risk from external factors such as varied raw material prices, and decreased consumption in some industrial groups that cannot be entirely eliminated, however, the Company applied internal management method that resulted in diminished impact to acceptable level.

## 7. The Anti-Corruption Committee

Approved by the Board of Directors Meeting No. 1/2558 held on February 16, 2015 has resolved to approve the guidelines for the implementation of Anti-Corruption standardization as follow:

### The Anti-Corruption Committee Structure



## Roles and Responsibilities of The Anti-Corruption Committee

1. The Board of Directors have a duty and responsibility to set policy and oversee a system that supports anti-corruption functions effectively. To ensure that management is aware of and focus on the anti- corruption as well as cultivating corporate culture.
2. The Audit Committee has reviewed and is responsible for financial reporting and accounting systems, internal control systems, internal audit and risk management system is to ensure that standards are appropriate, modern and efficient.
3. Risk Management Committee has duties and responsibilities to setup policies and procedures rounded assessment and management of risks affecting the company. The risk management process includes the main steps. Risk identification risk assessment Risk management Control and monitoring, evaluation and reporting risk. To provide adequate and effective risk management consistently. The risk management process covers the strategic risk. Risk Operations Financial risk and the risk of non-compliance with laws and regulations, including the risk of corruption by bringing anti-corruption policies into practice. Including arranging for violations of ethical misconduct or fraud as well.
4. The Executive Committee is responsible for the system and to promote and advocate policies against corrupt. To communicate to employees and stakeholders. The appropriateness of systems and measures. To comply with changes in the business. Articles And legal requirements
5. Managing Director and Deputy Managing Director are responsible and accountable for monitoring and review of the work that is going to be required. Meet policy guidelines Authorities continue rule And legal requirements of regulatory agencies. To ensure that control systems are suitable and sufficient risk Cork corruption may occur and be reported to the Audit Committee.
6. Division Managers have a duty and responsibility to control operations according to the policy.
7. Committee team has appointed by the responsible parties in the organization.

## 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.

## 8. Management

The Management of December 31, 2015 comprises 7 members as follow :

Name	Position
1. Mr.Sompol Tanadumrongsak	Managing Director
2. Mrs.Tanadumrongsak	Dupty Managing Director
3. Ms.Saruda Chitchua	Human Resource Manager
4. Mr.Sungvien Meethong	Production Manager
5. Mr.Sarayuht Ouybuan	Quality Manager
6. Mr.Thongchai Wiwong	Engineering Manager
7. Ms.Jaruwan Chatwichian	Finance and Account Manager

## Scope of Authority and Duties of Managing Directors

1. Proposal of goals, policies, business plans, including the company's business strategies and annual budgets for consideration of approval by the company's board of directors.

2. The executive board of directors must supervise compliance of the company's businesses with policies, work plans and budgets approved by the company's board of directors.

3. Consideration of approval of the company's regular business transactions, such as investments to purchase machinery and other properties in line with investments or budgets approved by the company's board of directors, purchases of raw materials into warehouses, sales of goods, etc. The balances for each transaction must be made under authority with the approval of the company's board of directors.

4. Establish corporate structure, authority to administrate the corporation and consider adjusting the salaries and bonuses of employees at levels lower than departmental managers, including consideration of approval of labor rates not included in annual budgets.

5. The executive board of directors has the authority to appoint or employ consultants associated with corporate administration for maximum efficiency.
6. The executive board of directors must consider the company's profits and losses and propose interim dividend payments or annual dividends for approval from the company's board of directors.
7. The executive board of directors has the authority to authorize any person or persons to operate under the control of the executive board of directors or authorize the aforementioned person or persons to have authority as deemed fitting by the executive board of directors within a period of time deemed fitting by the executive board of directors. The executive board of directors may cancel, withdraw, change, or revise authorized persons or authorizations as deemed necessary.
8. Perform other duties assigned by the company's board of directors. Authorizations of authority, duties and responsibilities by the executive board of directors must not be characteristic of authorizations or temporary authorizations enabling the person or persons authorized by the executive board of directors to approve of transactions in which that person or other persons have potential conflicts of interest (according to the definitions set forth in the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) as stakeholders or with any other conflicts of interest with the company or its subsidiaries and/or related companies. The executive board of directors does not have the authority to approve of actions regarding the aforementioned issues. The aforementioned issues must be presented to the meeting of the board of directors and/or the meeting of shareholders (depending upon the case) for approval, except for approval of transactions under normal business and trade conditions according to the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

## DIRECTORS COMPENSATION

The Company has clearly specified compensation for 9 directors in remuneration and allowances total of 3,628,000 Baht in 2015 and 3,041,000 Baht in 2014, and 2,800,000 Baht in 2013 as details belows:

(Unit : Baht)

Name	Year 2013	Year 2014	Year 2015	Meeting (Times)
1. Mr. Por Tanadumrongsak	230,000	250,000	306,000	10/10
2. Mr. Sangcharean Tanadumrongsak	225,000	250,000	306,000	10/10
3. Mr. Sompol Tanadumrongsak	230,000	250,000	306,000	10/10
4. Mr. Somkit Tanadumrongsak	230,000	250,000	306,000	10/10
5. Mr. Yanyongchai Tanadumrongsak	225,000	250,000	306,000	10/10
6. Mrs. Raweewan Mathong	230,000	250,000	306,000	10/10
7. Mr. Naris Chaiyasoot (Ph,D)	530,000	567,000	644,000	16/16
8. Mr. Anant Gatepithaya	450,000	487,000	584,000	20/20
9. Mr. Pumipat Sinacharoen	450,000	487,000	564,000	16/16
Total	2,800,000	3,041,000	3,628,000	

Remark : According to the 2015 Annual General Meeting of Shareholders held on April 2, 2015 passed a resolution that the Remuneration the year 2015 are as follows.

- the remuneration paid for chairman of the audit committee was Baht 250,000 per annum
- The Chairman of the board, each director, each audit committee was Baht 210,000 per annum
- Meeting fee paid for each director was Baht 10,000 per a meeting.
- The Special Bonus of Audit Committee for the year 2015 will be paid based upon the business performance of the Company ended December 31, 2015 which not exceeding Baht 670,000. The Company will propose to make such payment in the year 2016 upon obtaining an approval of the Annual General Meeting of Shareholders for the year 2016.
- The Company held Board of Directors Meetings 10 times.
- Audit Committee Meetings 4 times.
- Nominating and Remuneration Committee Meeting 2 times.
- The Risk Management Committee Meeting 4 times.
- The Company has no other fee paid to the committee.



## Management Compensation

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

Type of remuneration	Year 2013		Year 2014		Year 2015	
	No.member	Amount	No.member	Amount	No.member	Amount
Salary	8	13,246,316	7	12,093,637	7	14,260,999
Bonus	8	2,736,608	7	2,340,264	7	2,830,532
Other Compensation	8	606,768	7	4,376,880	7	4,635,793
- Providend Fund						
- Social Security						
- Employee Benefit Severance						
Total	8	16,589,692	7	18,810,781	7	21,727,324

Note: (1) Mr.Virithphol Muannara joined the company at 5 March 2012 and resigned on 22 July 2015.

(2) Mrs.Saruda Chitchua joined the company at 8 June 2015.

Employee Compensation and Return Characteristics

As at December 31, 2015, the Company are 754 persons (excluding executive 7 persons) divided to regular 329 persons and daily 425 persons as the following details :

Department	Regular (Person)	Daily (Person)	Total (Person)
Production	147	264	411
Engineerinf	50	21	71
Quality	37	76	113
Finance & Account	13	-	13
Management	4	-	4
Purchasing	3	-	3
MIS	8	-	8
Sales and Marketing	23	-	23
Logistics	31	64	95
Human Resource	13	-	13
Total	329	425	754

The Company has employees 754 persons, in year 2015 the company paid benefit to employees with 158.33 million Baht. The benefit is, salary, bonus, OT, social insurance, providend funding and other welfare. The company established providend funding with Ayudhya Master Fund. To build morale among the staff. And to motivate employees to work with the company in the long term.

## Other remuneration

The Company has provided the healthy and personnel accident for all employees.

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

## Corporate Governance Policy

Fortune Parts Industry Public Company Limited is committed to the growth of business stability and sustainability by giving value added to all shareholders and shared value to all stakeholders. The Board of Directors concentrates on the practices complying to the Stock Exchange of Thailand (SET) to apply Good Corporate Governance. The Company assigns corporate governance and ethics as well as business ethics to directors, executives and employees for their implementation to all stakeholders which are announced and communicated to employees including published on the website [www.fpiautoparts.com](http://www.fpiautoparts.com). Its objectives are for all employees and related persons to acknowledge and comprehend in the same direction of corporate governance by adhering to transparency, equality, audit, ethics and complying to regulations and related laws as well as responding to economy, society and environment.

The Board of Directors assures that Good Corporate Governance, Ethics and Business Ethics are crucial factors for being the leading Company growing constantly and sustainably as well as participates in developing economy, society and environment of Thailand which create confidence and strong image to all shareholders, investors and related persons both at the present and in the future.

In addition, the Board of Directors considers, reviews and improves corporate governance to achieve the completeness, modern and appropriateness corresponding to present situations; thus this policy is classified as follows:

### 1. Rights of Shareholders

The Board of Directors realizes the importance of shareholders to carefully and prudently operating business by concerning rights and equality as well as maintaining the highest benefits for shareholders. The Company provides the basic rights as follows:

1. Rights to buy, sell or transfer the Company's shares
2. Rights to participate in the shareholders' meeting
3. Rights to grant the power of attorney for other persons to attend the meeting and vote on their behalves
4. Rights to add meeting agenda
5. Rights to receive dividends
6. Rights to nominate a person to become a board member

7. Rights to vote in election or impeach board member individually
8. Rights to vote in appointment and remuneration of auditors
9. Rights to vote in various agenda
10. Rights to provide opinions and ask questions in the shareholders' meeting and propose criteria in advance
11. Rights to receive information in sufficient and timely manner
12. Provide the most convenience in favor of participating and voting to shareholders

#### Arrangement of Shareholders' Meeting

The board of directors arranges the Annual General Shareholders' Meeting within 4 months after the end of fiscal year which were established on April 2, 2015, at The Emerald Hotel, Ballroom 1 room , 3<sup>rd</sup> Floor, Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok. In that shareholders' meeting, the board send the invitation letter assigning place, date, time, agenda and criteria as well as details and reasons which were clearly defined the proposed issues to be informed, approved and considered or as the case may be including such opinions; then delivering to shareholders and registrar. When any shareholders are unable to attend that meeting themselves, the letter of attorney will be delivered by registered postal service no less than 7 days and published in newspaper no less than 3 days prior to such meeting corresponding to regulations of the Company or regulated by laws.

Moreover, the proper meeting will be arranged by its officer to facilitate, assist, verify documents, prepare revenue stamps for shareholders who give/are received the letter of attorney, provide light meals prior the meeting as well as enrollment and count the votes using barcode system. Nonetheless, shareholders allow enrolling 1 hours before the meeting starts and completely receive the voting cards relating to each agenda.

The board, Executives board, secretary and auditors will present in the meeting and answer any doubts to shareholders likewise the president of directors represents as the chairman of the meeting. Prior to the meeting, the chairman assigns the secretary to demonstrate number of shareholders participating by themselves and whom given the authorizations as well as rights according to regulations, conduct, agenda, exercise how to enquire or comment and procedures to vote with the voting cards to each agenda separately; finally disclose the results of voting cards to the meeting. The chairman and the participants; the proxy of shareholders, observe and are eye-witness in counting vote.

The chairman represents corresponding to the assigned agendas and appropriately designated time considering each agenda including propose opportunities to all shareholders to preserve their rights and benefits, such as give opinions, raise questions join debates, etc. Moreover, questions and answers are written

and recorded in the minutes of the meeting as well as the results of approval, disapproval and abstained votes from each meeting.

Then, the Company always records each minute of shareholders' meetings which define accurate and complete contents and numbers of director, Executives board, company secretary and auditors participating the meeting, inform the results of votes, questions and answers as well as important opinions for the examination of shareholders. Also, these resolutions and statements of such meetings are reported to the SET within 14 days right after the shareholders' meeting date. The annual reports with copy of balance sheet and income statement; which are audited by the auditors and approved by shareholders, plus copy of minutes of the meetings relating to the approved balance sheet, profit allotment, dividends payments to the registrar of public company limited as well as published on website of the Company.

In 2015, the Company's assessment outcome of the quality of the Annual General Shareholders' Meeting was "excellent" (four stars) by Thai Investors Association.

## 2. Equitable Treatment of Shareholders

The board of directors realizes and respects the equally treats to all shareholders, minor, major and foreign shareholders as well as institutional investors. In addition, shareholders holding small amount of shares receive the equally treats and rights' protections from any actions concerning to be direct and indirect advantages.

The Company arranged The Annual General Meeting on April 2, 2015, at The Emerald Hotel, Ballroom 1 room , 3<sup>rd</sup> Floor, Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok and delivered the invitation letters including accurate and complete agendas in timely manner to shareholders. For those who are unable to participate such meeting, the Company will deliver Proxy Form A and B (or Proxy Form C for foreign shareholders who have custodian in Thailand published on Company's website) comprising to the Department of Business Development (DBD) under topic: Prescribed Form of Proxy (No.5) 2550 which are both general model and specific model for shareholders to assign their own votes. These shareholders are able to give their authorization to individual person or independent directors whom the Company informs to vote on behalf of these shareholders. This Proxy Form must be affixed 20 Baht duty stamp by the Proxy Holder or the Company if the Proxy Holder does not.

At 2015 Annual General Shareholders' Meeting, 9 of 9 Company's participants consist of chairman of directors, chairman of Executive directors, chairman of audit committee, independent directors, secretary, Company's auditor and lawyers.



The chairman assigns the secretary to demonstrate number of shareholders participating by themselves and whom given the authorizations as well as rights according to regulations, conduct, agenda, exercise how to enquire or comment and procedures to vote with the voting cards to each agenda separately; finally disclose the results of voting cards. In addition, the Company regulates corresponding to Company's rules in which one share for one vote and disclosure the voting by preparing the voting cards to each shareholders for each agenda. The Company allows each shareholder for consideration of directors' nominations individually.

Strictly to the regulations, the meeting must be conducted to the agendas without additional topics assigned in the invitation letter. Moreover, the chairman of the meeting governs and proposes opportunities to shareholders' comment and enquiry sufficiently and appropriately prior to each resolution. After giving the voting cards to shareholders, the Company allows shareholders who are candidates to count, observe and assure the disclosure and transparency of the votes in each agenda. Those voting cards are collected as evidences for further examination, recorded number of approval, disapproval, abstained votes, questions, answers and comments in each agenda in the meeting. Visual Media Video is applied for recording evidences in the meeting, too.

Then, the Company reports the minutes of the meeting to the SET within 14 days right after the shareholders' meeting date as well as publish on website of the Company for examination of shareholders and related persons.

Governing the use of inside information, the Company assigns not to allow the Executives and employees to use this information for their benefits. Moreover, the board of directors arrange a guideline of conflict of interest and related party transactions are shown in corporate governance, prudently and appropriately considered as well as complied to regulations of SET.

### 3. Roles of Stakeholders

The board of directors realizes and emphasizes the rights of both internal (directors, Executives and employees) and external (competitors, creditors, government and related sectors) stakeholders. These rights are defined by laws and agreed contracts including responsibilities to economy, society and environment to create high ability in competition and business operation stability and sustainability as well as firmly relationship and collaboration between the Company and stakeholders.

Employees: concentrate on its employees with care and fair to continually promote and constantly support in self-develop and trainings in diversified programs; determine fair and appropriate compensations; provide health check-up annually, group insurances, provident fund, loan for continuous educations, emergency loan as well as maintain workplace environment to serve safely and efficiently employees' lives.

Shareholders: realize the equally treats to all shareholders as well as access necessary, correct and appropriate information in timely manner.

Customer: focus on the transparency; fairness; correct examination; qualified, standard, quick and on-time services responding to their needs and closely follow up to create the most satisfaction for customers.

Trade partners: transparently select trade partners; strictly follow on agreed contracts; consistently communicate and exchange opinions to maintain strong relationships; and continual development in each operation to jointly accomplish objectives.

Creditors: respect fairness; strictly adhere to agreed conditions and contracts; timely manner; and do not ruin on agreed contracts.

Competitors: compete and operate business corresponding to rules, regulations and related laws; do not destroy their reputations; do not strive for their secret information; and do not violate their copyrights and intellectual rights.

Community, society and environment: govern corresponding to rules, regulations, and related laws; apply ethics and moral; transparently, fairly and equally operate business; do not take advantages over community society, environment and all stakeholders; jointly create value; thus communicate and continually develop trainings to acknowledge and increase the comprehension of social responsibility.

#### Notifying the Information and Complaints

The preventive measurement and channels to notify the information, complaints and comment of all stakeholders as follows:

Postal service: Company Secretary / Managing Director / Audit Committee

Fortune Parts Industry Public Company Limited

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

Telephone: 02-993-4970 ext. 112 (Company Secretary)

Fax: 02-993-0602

Website: [www.fpiautoparts.com](http://www.fpiautoparts.com)

Email: [wan.winnie19@gmail.com](mailto:wan.winnie19@gmail.com)

Employees are able to notify complaints or propose opinions to board of directors and Executives directly via email in Company's system.

Channels to Directly Contact Audit Committee / Board of Directors

Stakeholders request to contact and complain with audit committee / board of directors via

#### Channel 1 Audit Committee

Ph.D.Naris Chaayasoot [naris@econ.tu.ac.th](mailto:naris@econ.tu.ac.th)

Mr.Anant Gatepithaya [gatepithaya@gmail.com](mailto:gatepithaya@gmail.com)

Mr.Pumipat Sinachroen [pumipat@ap-thai.com](mailto:pumipat@ap-thai.com)

#### Channel 2 Company Secretary or the person assigned by the Board of Directors

Mr.Sompol Tanadumrongsak [paulfpi@hotmail.com](mailto:paulfpi@hotmail.com)

Mrs.Nussara Tanadumrongsak [apple\\_fpi@hotmail.com](mailto:apple_fpi@hotmail.com)

Miss Jaruwan Chatwichian [wan.winnie19@gmail.com](mailto:wan.winnie19@gmail.com)

Moreover, the protection and keep secrets of the informants are processed to examine such complaints and find solutions by the Company.

## 4. Disclosure and Transparency

The Company strongly determines to accurate, complete, in time, equally and sufficiently for decision-making while disclosure information are based on business secretly standardize and crucial strategies for operations.

Moreover, the Company aims to equally disclose information to shareholders, investors, stakeholders and public complying to regulations of SEC and SET which reveal through Annual Report Form 56-1 and 56-2 via SET and Company's websites for shareholders, investors, analysts, stakeholders and interested persons easily and equally access this reasonable information.

The practices of crucial information disclosed through easily, conveniently and reliable channels i.e. publish via websites of SET ([www.set.or.th](http://www.set.or.th)) , SEC ([www.sec.or.th](http://www.sec.or.th)), and Company ([www.fpiautoparts.com](http://www.fpiautoparts.com)).

#### Investor Relations

Roles and responsibilities of company secretary for investor relations are to correctly and completely communicate as well as disclose information in timely manner for investors, analysts, related parties and Medias such as publications, newspapers, radio, television, meeting and other press conferences including via websites and email, etc.

Fortune Parts Industry Public Company Limited

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

Telephone: 02-993-4970 ext. 112 (Company Secretary)

Fax: 02-993-0602

Website: [www.fpiautoparts.com](http://www.fpiautoparts.com)

Contact Investor relations:

- |   |                                    |
|---|------------------------------------|
| 1. Mr.Sompol Tanadumrongsak                             | Telephone: 0-2993-4970-77 ext. 200 |
| 2. Mrs.Nussara Tanadumrongsak                           | Telephone: 0-2993-4970-77 ext. 100 |
| 3. Miss Jaruwan Chatwichian                             | Telephone: 0-2993-4970-77 ext.112  |
| e-mail : <a href="mailto:ir@fpi.co.th">ir@fpi.co.th</a> |                                    |

Also, the Company consistently encourages officers of investor relations to join useful programs in various seminars arranged by IR Development, Good Governance for Development of SET in which 2015 as follows:

- Basic IR Training
- Basic Finance for IR
- Financial Instrument for IR
- SET's IR Advisory Program 2014
- Stock Valuation for IR
- IR Workshop # 1/2015 "CEO in IR role and his key challenges"
- IR Workshop # 2/2015 "How mid-small caps overcome the challenges of sparking investor interest, securing analyst coverage and maintaining liquidity?"
- IR Workshop # 3/2558 "MD&A Best Practice – Learn from the Pros"
- IR Workshop # 4/2558 "Simplifying the IR message"
- Good Practices for Analyst Presentation

#### Investor Relations Activities

Opportunity Day by SET with the objectives to clarify the information about the business and operations of the Company to securities analysts, investors, the media and interested persons joining the activity. The SET organizes this Opportunity Day after the announcement of quarterly financial statements; then the Company continuously joins this activity as well as reveals such information to shareholders and investors for a video retrospective from website of Company (www.) and SET (www.set.or.th).

Company Visit the Company with the objectives to clarify the information about the business and operations of the Company to securities analysts, investors, the media and interested persons joining the activity to

acknowledge the administration and operations of the Company which establish good relationship between the Executives and investors joining this activity. Moreover, this activity creates confidence, reliability, impress and proud to be shareholders of the Company leading to expand base investment in the future. Throughout the year of 2015, the Company allowed other listed companies to meet the Executives and management department as follows:

- Phillip Securities (Thailand) Public Company Limited
- Country Group Securities Public Company Limited
- AIRA Securities Public Company Limited
- Asia Plus Securities Public Company Limited
- KGI Securities Public Company Limited
- Phatra Securities Public Company Limited
- CIMB Securities (Thailand) Company Limited
- Finansia Syrus Securities Public Company Limited
- KTB Securities (Thailand) Co., Ltd.
- AEC Securities Public Company Limited
- UOB Kay Hian (Thailand) Securities Public Company Limited
- Land and House Fund Management Co.,Ltd.
- Asia Wealth Securities Co.,Ltd.

Consequently, securities analysts issued analysis of corporate securities 3 times which were shown on Company's website ([www.fpiautoparts.com](http://www.fpiautoparts.com)).

mai FORUM 2015 on July 1, 2015 by Market for Alternative and Investment and Association of Listed Companies in the Market for Alternative and Investment organize this mai FORUM 2015 at Queen Sirikit National Convention Center with the objects to publicize information of listed companies in Market for Alternative and Investment to investors, securities analysts, the media and interested persons including policies, guidelines and previous business performance. Many activities relating to investments were demonstrated inside the forum i.e. the booth for details and products of listed companies, investment seminars, opportunity day, etc. The listed companies joining such forum were grateful and accomplished the attention of investors, securities analysts, the media and interested persons.

SD Talk: The Road Towards Corporate Sustainability on July 17, 2015 by SET at JW Marriott Bangkok.

2015 Thailand Focus, Opportunity Growth and Reform on December 2, 2015 at Grand Hyatt Erawan Bangkok, Company has invited to attend a two year, which was a lot of interest from investors.

Activities to publish information through different channels by the Company about its introductions, performances and interviews during its impact on negative information to shareholders, investors, stakeholders and interested persons to continually receive correct information i.e. newspapers, TV broadcast, radio and narrator in the converse, etc.

## 5. Role and Responsibilities of the Board

Board of Directors which consists features of the election, agendas According to the Public Company Act B.E. 2535 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, 2015, there are 9 members of Board of Director consisting of 8 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 6 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.

Management structure of the company consists of the board of directors and other 6 committees as follow:

1. The Board of Directors
2. Audit Committee
3. Executives Committee
4. Nomination and Remuneration Committee
5. Risk Management Committee
6. Anti-Corruption Committee

(Remark : The details of each committee show on management structure content.)



However, Board of Directors has appointed company secretary to duties and responsibilities under the Securities and Exchange.

## 2. Role and Responsibilities of the Board

Company directors Follow best practices for listed companies (Code of Best Practices) guidelines of the Stock Exchange of Thailand as the follow details.

- 2.1 The Company has determined a policy for Directors appointed the Company listed on the Stock Exchange up to a maximum of five at one time.
- 2.2 CEO of the company as Executive Director for a maximum of five.
- 2.3 The tenure of independent directors The Company can not serve for more than nine consecutive years.
- 2.4 Provide for a formal induction. The new director The disclosure in the annual report.
- 2.5 Directors are encouraged to attend at least one training course. Or attend seminars to enhance their knowledge in practice in the past year and disclosed in the annual report.
- 2.6 Arrange a meeting between the non-executive directors without management in attendance as disclosed in the annual report.
- 2.7 Provide an evaluation of the entire Board should consider and disclose the criteria and process for evaluating if provided with the evaluation of individual directors and the evaluation of the committees.
- 2.8 An annual evaluation of the chief executive officer (CEO) Company.
- 2.9 Held a succession plan for the chief executive of the company. Offering guidelines on the implementation of the reporting year.
- 2.10 Provide for the appointment of the Nomination Committee and Remuneration Committee. Including the role of the committees. The component is an independent director and chairman. It should be an independent director and announced the meeting clearly.
- 2.11 Prepare report of the Board of Directors' Responsibilities for the Financial Statements together with the report of the auditors in the annual report.

The Board of Director must understand and be aware of their roles and responsibilities. Must act according to the law and the Articles of Association. As well as the resolutions of the shareholders' meeting with integrity. And taking into account the interests of the company And is a major shareholder. The Board of Directors As policymakers The goal of the business plan and budget. And supervise the management to perform according to defined policies, plans and budgets effectively and efficiently. Best interests of the company And its shareholders as a whole

### 3. Board of Directors' Meeting

The Board of Directors meets on a quarterly basis with certain agenda and extraordinary meetings due to special requirements and has been conducted by the Chairman of the Board of Directors. Directors are freely to vote and express an opinion toward matters proposed agenda. Executive Directors and/or Independent Directors sometime will be invited to attend the meeting. In voting, each committee is entitled to one vote and the majority vote of the committee who attends the meeting and cast their votes. In the case of a tie vote, the chairman of the meeting shall have a casting vote.

All committees are required to attend the meeting except emergency case and any absence shall be informed to the company secretary in advance. The company secretary will arrange meeting agenda for the entire year and will sent invitation letter to directors at least 7 days in advance. The Company Secretary should propose, invite and inform agenda items to all directors for meeting preparation and arrangement which directors may propose an agenda which may incorporate into the meeting's agenda. Meeting minutes shall be submitted to the Chairman of the Board and keep confidential. In addition, all record of attendance shall be submitted in the annual report.

Details of directors' attendance for 2015 meetings were as follow

Name	Position	Number of meeting attended				
		Director	Audit Committee	Nomination	Risk	AGM
1. Mr. Naris Chaiyasoot (Ph,D)	Independent Director and Chairman of the Audit Committee	10/10	4/4	2/2	-	1/1
2. Mr. Anant Gatepithaya	Independent Director and Audit Committee	10/10	4/4	2/2	4/4	1/1
3. Mr. Pumipat Sinacharoen	Independent Director and Audit Committee	10/10	4/4	2/2	-	1/1
4. Mr. Por Tanadumrongsak	Chairman of the Board	10/10		-	-	1/1
5. Mr. Sangcharean Tanadumrongsak	Vice Chairman	10/10		-	-	1/1
6. Mr. Sompol Tanadumrongsak	Director, Chairman of the Executive Committee and Managing Director	10/10		-	-	1/1
7. Mr. Yanyongchai Tanadumrongsak	Director	10/10		-	-	1/1
8. Mr. Somkit Tanadumrongsak	Director	10/10		-	-	1/1
9. Mrs. Raweewan Mathong	Director	10/10		-	-	1/1

#### 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. Reporting of information

1. The Board of Directors is responsible for the reporting of financial information and general information to shareholders and general investors in an accurate, truthful, comprehensive and transparent manner. Information comes with rational explanations and quantitative supporting evidence both in terms of policies and performances, future trends as well as successes and obstacles of the business.

2. The Board of Directors understands and supports the compliance with the professional standards of auditors.

3. The Company's Board of Directors has produced a report on the responsibilities of the Board of Directors on the provision and publicisation of financial reports of the business and has publicised it alongside the financial statements and reports of auditors. It covers;

- Legal regulations assigns the Board of Directors with the duty to produce financial statements to show the financial status and the performance in the previous year that are accurate/true and rational.
- The responsibilities of the Company's Board of Directors in the provision of correct, comprehensive and sufficient accounting information to be able to maintain the Company's assets and to realise weaknesses to prevent corruption or abnormalities.
- Confirmation that the Company has adhered to the generally accepted accounting standards. The Company uses appropriate accounting policies and constantly adheres to them. The Company has carefully considered the rationality and appropriateness in producing financial statements of the Company.

#### 6. Corporate Governance Policy

The directors determine good corporate governance policy in written in accordance with the principles of Good Corporate Governance as well as strictly comply with company policies, rules, regulations and related law. All details of corporate governance are disclosed in the annual report and Form 56-1

## 7. Business Ethics

The Company is conducting the business with great awareness in ethical and moral issues for all members of the Board of Directors, managerial team and employees to continue his/her duty with honesty, integrity, morality, and of course, highest quality. Moreover, the company is strictly conducted with anti-corruption policy. The Business Ethics had also been announced and regularly review for information of the Company's employees acknowledgement.

## 8. Risk Management

The company assessed the Risk Management Committee responsible for consideration the overall organizational risks both internal and external, which shall have an effect in management such as financial risk, operation risk, market and competition risk, strategic risk, compliance risk, credit risk, asset management risk, and other risk factors. The Risk Management Committee shall classify risk levels, prescribe risk management guidelines and assign the responsible persons to carry out risks control measures to make them in acceptable level with aims to make the Company achieve the set objectives and strategies.

## 9. Internal Control

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.

## 10. Succession Planning

The committee shall ensure that recruitment and selection process has been set appropriately for searching appropriate candidates according to the company rule and regulations. Moreover, the company shall set the Succession Planning and Management Development Program to prepared successors for their potential improvement.

#### 11. Committee Self-Assessment

The company determined that committees shall perform their Self-Assessment at least once a year according to The Principles of Good Corporate Governance for Listed Companies. The result of assessment will be useful for development program aimed to increase the effectiveness of the Board and its committees. The assessment shall cover the areas of business knowledge and understanding, role and responsibility of the committee, business strategic formulation, rules and regulation and related law, internal control and auditing, effective meeting, and annual performance assessment.

#### 12. Orientation for New Director

The Company will arrange an orientation program designed to familiarize new directors with the Company and operations, its management structure, shareholder structure, committees, business performance and financial highlight. Directors will be provided with information regarding corporate governance, Business ethic, rules and regulation as well as related law such as Public Limited Companies Act B.E. 2535, The Securities and Exchange Act (No.4) B.E. 2551. The company also announces that all new committees shall participate in training course of Director Accreditation Program (DAP) arranged by the Thai Institute of Directors (IOD) within 6 months of announcement of appointed.

#### 13. Directors and Management 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.

Directors and Management Development The company attaches importance to the development of its directors and encourages directors to regularly participate in such courses or activities as will serve to enhance their knowledge and performance as members of the Board of Directors and Board committees.

List of Training courses and participators in 2015 are as follows;

- Thammasat Leadership Program “Thammasat for Social” # 5 Thammasat University
- Capital Market Academy Program # 21 Capital Market Academy
- Thammasat Leadership Program “Thammasat for Social” # 7 Thammasat University
- Certificate in Executive Development, industry and investment. Academy of Business Industry (IBID) # 2
- Sustainability Risk and Materiality Analysis

- CSR for Corporate Sustainability
- GLZ Office Bangkok for EU Green Auto Parts Project
- Risk Management Strategy
- Basic Finance for IR
- Stock Valuation for IR
- CSR Report
- IR Workshop # 1/2015 "CEO in IR role and his key challenges"
- IR Workshop # 2/2015 "How mid-small caps overcome the challenges of sparking investor interest, securing analyst coverage and maintaining liquidity?"
- IR Workshop # 3/2015 "MD&A Best Practice – Learn from the Pros"
- IR Workshop # 4/2015 "Simplifying the IR message"
- "The UK Experience on Implementing the Enhanced Auditor Reporting"
- Good Practices for Analyst Presentation
- Financial Instrument for Directors "ESOP/EJIP"
- Strategic CFO in Capital Markets"
- CG Report
- Enterprise Risk Management

In addition, chief executive also participated as well as was a guest lecturer in many dialogue and seminar activities aimed to share their direct experience, knowledge and opinion.

In 2015, the company as a listed companies in Market for Alternative Investment (MAI) was appointed, from The stock Exchange of Thailand, to participate in Corporate Sustainability Advisory Program # 2 aimed to enhanced the awareness of and understanding about socially responsible investment as well as sharing the board experiences with the broader development which will be useful for manage and develop organization with efficiency. The company also produced Sustainability Report Year of 2015 ,which divided from Annual Report , so as to disseminate the company policy and working process with good corporate governance to ensuring the company long-term sustainability growth as well as to advance social , economic and environment responsibility. All information is posted on The Company's website ([www.fpiautoparts.com](http://www.fpiautoparts.com))

#### 14. Decision on acquisition or disposition of related party transaction of the company's asset

Transaction of the listed company and any of its subsidiaries (in which the listed company hold shares in an amount exceeding 50 percent of the subsidiary's paid in capital) make a decision to enter into an acquisition or disposition of connected transaction of fundamentally important company assets The company has decision to enter into any transaction as specified by the Exchange. In the case of connected transaction, Company should be use the approval of shareholders in decision to enter into acquisition or disposition of connected transaction



of fundamentally important company's asset. The approval of the shareholders for the decision to enter into the transaction requires a vote of not less than three of fourth of the total votes of the shareholders or their proxies (if any) who are present at the meeting and who have right to vote, excluding the votes of interested shareholders have to follow Rules and Procedures of the Stock Exchange of Thailand.

#### 15. Conflict of Interest

The committee determines conflict of interest policy and code of conduct that any action cause conflict of interest shall be avoid as for the highest benefit for the company. All cases of conflict of interest which involve with employees shall be declared to the Company and those who has the beneficial interest shall have no right to vote on that matter. Any case of conflict of interest which involve with employees shall have to report to the Audit Committee for consideration and submit the issue to the Board of Director and Shareholder Meeting, which participated person will not attend. The said conflict of interest will be carefully examined to ensure that the transaction is complied with SET's regulation. All details of such transaction must be disclosed in the annual report and Form 56-1 as well as financial statement remark.

#### 16. Prevention of inside information used by management

The Company has a policy and practices to control the exploitation of inside information by the directors and executives for their personal benefit, including securities trading:

1. The Company formulates the written guidelines for keeping information and preventing inside information exploitation in order to promote fairness to shareholders, customers, business partner and all stakeholders according to laws and principles of good corporate governance.
2. The directors, executives and employees are forbidden from exploitation of inside information that has a significant impact on the Company's securities trading and the change in share price that has not yet been declared to the public for their personal or other's interest.
3. The directors, executives as well as those in the executive positions of accounting or finance unit from the level of manager and above and employees in the unit where inside information is available must refrain from the Company's stock trading for one month prior to the date of announcement of operation results and financial statement or important information that have impact on the change in the Company's stock price until such information is declared to the public.
4. The directors, executives as well as those in the executive positions of accounting or finance unit from the level of manager and above shall report ownership of all securities issued by the Company, pertaining to themselves, spouses and/or minor children to the Company Secretary within 30 days after formally assuming the position. Besides, the directors and high-ranking executives shall report to the Board of Directors or the delegated person all of their securities trading at least 1 day in advance in

order to notify SEC within three business day after transaction date as specified by the Securities and Exchange Act.

5. The directors shall make and submit their connected transaction(s) report to the Company Secretary.
6. The directors shall report all the change of their securities holding and their connected transaction(s) to the meeting of the Board of Directors. Then, the Company Secretary shall submit a summary report on the said connected transaction(s) to the next Board's meeting. The change in securities holding of the directors and executives that occurs during the particular year shall be disclosed in the Company's annual report.
7. The Company gives significance on inside information exploitation that may affect the Company's benefits or create the conflict of interest by specifying details in the Good Corporate Governance policy, the Code of Conduct, best practices for working, employment contract and working-related regulations.
8. The Company gives significance on strict and consistent protection of customers' confidential information and prevention of the use of such information for benefits of directors, executives, employees and relevant persons, unless otherwise prescribed by laws.
9. The Company gives significance on protection of information on IT system by controlling and/or preventing the access to the Company's information by outsiders and designing the access control for each level of employee based on their authority and responsibilities.
10. In cases where external parties are involved in special projects dealing with information undisclosed to the public and during the negotiation stage, such projects shall be regarded as inside information as it may affect Company's share price. These external parties must sign a confidentiality agreement with the Company until the information is disclosed to SET and SEC.
11. Directors, executives or employees that fail to comply with the Company's regulations of inside information must be subject to penalties according to the Company's disciplinary action and/or laws (as the case may be).

# CORPORATE SOCIAL RESPONSIBILITY

The Company has prepared a sustainability report 2015 separate from annual report for disclose the policy, operations of social responsibility and sustainable development of the company together with participation development for economic social and environment. The Company send a sustainability report 2015 with the annual report to shareholder and disclose via the website of the company [www.fpiautoparts.com](http://www.fpiautoparts.com)

# SUSTAINABLE BUSINESS DEVELOPMENT IN HARMONY WITH THE ENVIRONMENT AND SOCIETY POLICY



Fortune Parts Industry Public Company Limited is committed to managing in accordance with good corporate governance and focus on business development and achieve sustainable economic, social and environmental. It has been recognized by all sectors of domestic and abroad. And encourage stakeholders operate responsibly Social and environmental or CSR, as well as international business development along with environmental and social guidelines Global Reporting Initiative (GRI), published annually. The company has leading practices in corporate social responsibility and the environment as a part of the management of business processes. The policy is as follows:

## Good business supervision

Operate business under the related law and regulations with transparency. Follow the operational policy and sustainable economy philosophy considering the benefits of the stakeholders, staff, community and society, business partners, media, customers and people, competitors, creditors, public sector and every stakeholder.

### Fair business operation

Support free trade business competition. Avoid operations against beneficial discrepancies and intellectual property infringement. Resist every form of corruption and support social responsibility in every step of the business chain.

### Human rights and staff treatment

Hold firm the corporate culture. Support and respect human rights protection. Treat staff with equality and justice. Provide welfare, safety and good hygiene in the workplace including following the institutional learning and staff development promoting policies for professional staff development. Develop the working systems and innovations in the institution. Encourage staff to take part in direct and indirect social responsibility activities.

### Consumers' responsibility

Develop products and services which are not harmful to consumers, have no effect on the environment, meet or outdo customers' expectations of quality under fair conditions and provide accurate, adequate and unexaggerated information about the products and services. Keep the customers' secrets safe and do not use them for one's own benefit and do not use them wrongfully.

### Environment and safety

Be aware of and logically analyze the risk and effect concerning the environment and safety in every step of business including the efficient use of resources and energy saving according to international regulations. Social and community development participation Support the use of business operation for the benefit of improving the quality of life, building the economy and strengthen the community, neighbors and Thai society.

### Innovation development and publication from social responsibility

Support creativity and encourage stakeholders' involvement in developing innovations that balance the value and benefits for the community, society and environment in harmony with sustainable business growth.

# CONTROL ENVIRONMENT AND RISK MANAGEMENT

## Control Environment

The company has been aware of the good internal control system management concerning the company's efficient operation system. Therefore, the company organizes the inspection committee to collate the company's internal control system, to assess properly and efficient, and to collate the operation's operation system to be compliant with securities, stock exchange, Stock Exchange's criteria, and law relating to the company's business.

The inspection committee always has a meeting together at least every quarter regarding financial statements, collation of the correct financial reports, which is appropriately disclosed, relating transactions or transactions in conflict with benefit in compliance with the law, Stock Exchange's criteria, and the Capital Market Commission, and the collation of the company's proper and appropriate internal control system and internal inspection system.

Regarding the committee meeting of 1/2016 on February 18, 2016, the committees including three people assessed the company's internal control system by gaining information from questioning the management, assessment provided by the management, inspection committee's reports. The assessment of internal control system focused on five sections as below:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

The company's committee concluded that the control environment is effective, sufficient, and appropriate. The risk manage is operated properly by having adequate staff to operate the systems efficiently. Moreover, the company also provides control environment concerning monitoring the operation of subsidiary in order to protect assets of company and subsidiary from the improper or unauthorized use of committee or management. The monitoring properly covers doing a business transaction with a person who has conflict or relation.

The company provides the internal inspection unit on the purpose of monitoring and assessment of control environment of all operation systems to assure that the company's operation system meets in term of company's objectives and to be confident to achieve company's goals efficiently and effectively. The company's business operation is based on the control environment appropriate and sufficient with business operations, supporting cooperate governance, and supporting the inspection committee to work most efficiently and effectively. The control environment is compliant with The Professional Practice Standards of Internal Auditing defined by The Institute of Internal Auditors: IIA. However, the company's committee is aware that a control environment is not able to completely guarantee the damage causing from a mistake. But it can prevent or assure of its efficiency within properness.

### Risk Management

Fortune Parts Industry Public Company Limited is aware and focuses on the importance of risk management. The company lays the foundation of risk management according to the standard of Committee of Sponsoring Organization of the Treadway Commission: COSO. Moreover, the risk management is used appropriately and acceptably for the purpose of achievement of objectives, strategies, obligations, and visions as the company specifies. The risk management is the key factor of work operation to accomplish the goals, to prevent damage, and to reduce mistake happened in operation management. Therefore, the management seriously takes precedence over it. The company's committee appoints risk management committee consisting of 13 people to manage company's risks closely. This also includes the announcement of risk management and preparing company's manual of risk management.

Hence, to make understanding of risk management process all levels in company's group and to obey as the organization's culture towards all staff working for the company, the company provides risk management manual to be guidance for staff to operate a risk. It becomes major key to help all business units in the organization to accomplish objectives/goals and to succeed in work operation. These will lead to generate value added and the growth of the company permanently. Moreover, it can be able to adapt with the work operation of both a big project through a small project. The risk management is aware of the mistake and will provide prevention plan of risks as better than solving after happening, which wastes money and resources unnecessarily.



## RELATED PARTY TRANSACTIONS

The Company have related party transactions with connected persons who may have conflict of interest, all of which being made in a normal course of business of the Company. In approving the related party transaction, the Company set out policy to proceed according to normal trading terms by referring to appropriate market rate and condition. In case where the transaction is not normal business transaction or without normal trading terms, such transaction must be presented to the Board of Directors' meeting for approval. In approving the related party transaction, directors and persons with potential interest or potential conflict of interest will not be entitled to participate in the voting of such transaction. Such transaction must be reported to the Company's Board of Directors for further acknowledgement accordingly. In entering into such transaction, it must be ensured that the transaction must provide maximum benefit to the Company.

In considering the transaction, the Audit Committee must attend the meeting for review its necessity and reasonableness by considering price and rate of return of such transaction except where the related party transaction is the normal business transaction or has normal trading terms which can be approved by the Executive Board of Directors or Chief Executive Officer within the predetermined authorized limit. In case where the Audit Committee does not have expertise in considering the transaction arisen, the Company will arrange to have person with expertise and skill, e.g. the Company's auditor or independent expert, to provide opinion on such connected transaction. Opinion of the Audit Committee or expert will be used as support for decision making of the Company's Board of Directors or shareholders as the case may be.

In addition, the information on related party transactions will be disclosed in the notes to financial statements as audited by the Company and its subsidiary's auditor. The related party transaction must be made in accordance with the Securities and Exchange Act, rules and regulations, notification, order or provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the related party transactions or the acquisition and disposal of the Company's asset in a strictly manner. The Company must also comply with the provision concerning the disclosure of information of connected transaction and acquisition or disposal of asset.

In entering into any potential related party transaction in the future, the Company will proceed according to the measure stipulated above. It has a policy to operate in accordance with normal course of business by referring to appropriate market rate and condition to maximize benefit to the Company.

#### Details Related Party Transactions

According to the resolution from the Board of Directors meeting No. 1/2016 on February 18, 2016 also attended by the Audit Committee and the independent directors to review the related party transaction for the period ended December 31, 2015 and December 31, 2014, the Board of Directors provided opinion concerning related party transactions that such related party transaction were necessary for the ordinary course of business whereas terms of such related party transactions with related persons during such period were according to the market rate, contractual and agreed price which were reasonable and in the ordinary course of business. Details of the transaction can be summarized as follows:

(Unit : Million Baht)

Partiers with potential conflict/ Nature of transaction	Type of Transaction	Value of related party transaction for the period		Reason and necessity of related party transaction/ Remark
		31 December 2015	31 December 2014	
Sangthong Auto Partsworld Co., Ltd.  Company owned by related person of the Company's management	Sales	62,554	52,001	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
Sangthong Auto Partsworld Co., Ltd.  Company owned by related person of the Company's management	Purchase of goods	61,679	37,674	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
United Auto Co., Ltd. (formerly known as "Dongfeng Automobile (Thailand) Co., Ltd.")  Company owned by related person of the Company's management	Sales	8,872	31,610	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
United Engine Co., Ltd. (formerly known as "Dong Feng Engine Co., Ltd.")  Company owned by related person of the Company's management	Sales	7,294	14,742	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
Fortune Box Industry Co., Ltd.  Company owned by related person of the Company's management	Sales	100	177	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.

Fortune Box Industry Co., Ltd. Company owned by related person of the Company's management	Purchase of goods	19,226	19,921	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
S.C.G. Industry Co., Ltd. Common director and shareholding	Purchase of goods	965	2,235	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
Imperial Cable Industry Co., Ltd. Common director and shareholding	Purchase of goods	388	351	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
Sangchai Motorbike Co., Ltd. Common director and shareholding	Purchases of Fixed Assets	78	-	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
Mr. Rattajak Muangsiri Related person of the Company's management	Purchases of Fixed Assets	2,523	-	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
Siam City Group Development Co., Ltd. Common director and shareholding	Purchases of Fixed Assets	-	110	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
K-Mart Service Co., Ltd Common director and shareholding	Oil and Gas	486	726	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.

S C G Hatairath Co., Ltd. Common director and shareholding	Oil and Gas	299	302	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.
Super Central Gas Co., Ltd. Common director and shareholding	Services	678	269	Related party transactions are in accordance with a normal business and support the operation of the company to maximize profit, This transaction is considering and approval by Audit Committee and the Board of Directors.

## Measures or Process for Related Party Transaction Approval

To prevent any conflict of interest arisen from the transaction, the related transaction between the company and a person with potential conflict of interest, which is neither in the normal course of business nor has normal term of trading must be presented to the Board of Directors' meeting for approval. Directors and persons with interest or potential conflict of interest in such transaction will not be entitled to vote on such matter and must report the Board of Directors accordingly. Such transaction must be entered for the maximum benefit to the Company. In considering such transaction, member of the Audit Committee must attend the meeting to provide opinion pertaining to the execution of such related party transaction, except if such related party transaction entered by the Company or related companies is made in the normal course of business or normal trading terms. In such case, the Managing Director or high executives management is authorized to approve the transaction according to the predetermined approval authority limit. The execution of related party transaction, however, must be in accordance with the Securities and Exchange Act, regulation, notification, order or the provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the related party transactions and the acquisition and disposal of the Company's asset in a strictly manner.

## Policy or Tendency of Related Party Transactions

In entering into related party transaction in the future, the Company's procedures are as discussed earlier in order to maximize benefit to the Company. Accordingly, it is the Company's policy to undertake the transactions according to the normal course of business based on appropriate market price and conditions. The Audit Committee and/or Independent Director will be required to audit and provide opinion, taking into account pricing and return, on the necessity and appropriateness of the transactions. In relation to the execution of related party transactions in the future, the Board of Directors must comply with the Securities and Exchange Act, regulation, notification, order or the provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the disclosure of information of related transaction and the acquisition or disposal of assets.

However incase of the Audit Committee have no special skill for consideration related transaction which occurred, the Company will provide specialists such as auditor of the Company or independent expert provide opinion on such related transaction. The opinion of the Audit Committee or specialist will be applied to decision of the Board of Directors or shareholders. Moreover, the Company will be disclosed the related transaction in the note of financial statement have been audited by the auditors of the Company and its subsidiary.

# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The main priority of the Board of Directors is to supervise the Company's operations, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the Company's annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through systems which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the Company's financial statements as at 31 December 2015 which the Company's auditor has audited based on the generally-accepted accounting standards. The auditor is of the opinion that the financial statements present fairly the Company's financial position and the results of its operations in accordance with generally accepted accounting principles.



(Mr. Samgcharean Tanadumrongsak)

Vice Chairman



(Mr. Sompol Tanadumrongsak)

Chief Executive Office



# INDEPENDENT

## AUDITOR'S REPORT

To the Shareholders of Fortune Parts Industry Public Company Limited

I have audited the accompanying financial statements, in which the equity method is applied, of Fortune Parts Industry Public Company Limited, which comprise the statement of financial position as at 31 December 2015, 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, and have also audited the separate financial statements of Fortune Parts Industry Public Company Limited for the same period.

### **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 2015, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 18 February 2016

# Statements of financial position

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

(Unit: Baht)

	Note	Financial statements in which the equity method is applied	Separate financial statements	
		2015	2015	2014
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	166,223,156	166,223,156	56,204,286
Trade and other receivables	8	712,173,089	712,173,089	754,595,284
Inventories	9	365,508,750	365,508,750	391,292,984
Other current assets		78,129,560	78,129,560	81,148,812
<b>Total current assets</b>		<b>1,322,034,555</b>	<b>1,322,034,555</b>	<b>1,283,241,366</b>
<b>Non-current assets</b>				
Investment in joint venture	10	6,626,546	7,317,000	-
Property, plant and equipment	11	1,025,818,527	1,025,818,527	913,307,022
Intangible assets	12	2,748,237	2,748,237	1,687,497
Other non-current assets		1,232,852	1,232,852	4,179,495
<b>Total non-current assets</b>		<b>1,036,426,162</b>	<b>1,037,116,616</b>	<b>919,174,014</b>
<b>Total assets</b>		<b>2,358,460,717</b>	<b>2,359,151,171</b>	<b>2,202,415,380</b>

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

# Statements of financial position (continued)

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

(Unit: Baht)

		Financial statements in which the equity method is applied	Separate financial statements	
	Note	2015	2015	2014
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans from				
financial institutions	13	878,296,211	878,296,211	792,285,587
Trade and other payables	14	268,819,077	268,819,077	262,172,766
Current portion of long-term loans	15	108,811,727	108,811,727	119,213,778
Income tax payable		28,547,812	28,547,812	16,598,377
Short-term provision	16	3,260,074	3,260,074	3,215,071
Other current liabilities		21,277,110	21,277,110	19,472,947
Total current liabilities		1,309,012,011	1,309,012,011	1,212,958,526
Non-current liabilities				
Long-term loans, net of current portion	15	96,257,918	96,257,918	95,037,338
Provision for long-term employee benefits	17	7,714,677	7,714,677	4,521,043
Deferred tax liabilities	21	322,373	322,373	2,256,956
Total non-current liabilities		104,294,968	104,294,968	101,815,337
Total liabilities		1,413,306,979	1,413,306,979	1,314,773,863

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

# Statements of financial position (continued)

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

(Unit: Baht)

	Note	Financial statements in which the equity method is applied	Separate financial statements	
		2015	2015	2014
<b>Shareholders' equity</b>				
Share capital				
Registered				
1,582,927,633 ordinary shares of Baht 0.25 each				
(2014: 1,280,000,000 ordinary shares				
of Baht 0.25 each)		395,731,908	395,731,908	320,000,000
Issued and fully paid-up				
1,211,811,534 ordinary shares of Baht 0.25 each				
(2014: 1,202,382,176 ordinary shares of				
Baht 0.25 each)	18	302,952,884	302,952,884	300,595,544
Share premium	18	217,947,251	217,947,251	191,812,706
Convertible debentures treated as equity securities	18	-	-	29,489,885
Advance from share subscription	18	880,150	880,150	-
Retained earnings				
Appropriated - statutory reserve	19	39,573,191	39,573,191	32,000,000
Unappropriated		383,800,262	384,490,716	333,743,382
<b>Total shareholders' equity</b>		<b>945,153,738</b>	<b>945,844,192</b>	<b>887,641,517</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,358,460,717</b>	<b>2,359,151,171</b>	<b>2,202,415,380</b>

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

Directors

# Income statement

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

(Unit: Baht)

	Note	Financial statements in which the equity method is applied	Separate financial statements	
		2015	2015	2014
<b>Revenues</b>				
Sales		1,817,338,825	1,817,338,825	1,756,800,182
Service income		1,599,539	1,599,539	6,171,607
Export incentive		25,248,321	25,248,321	31,857,445
Gain on exchange		1,945,508	1,945,508	18,016,243
Other income		11,335,370	11,335,370	27,550,127
<b>Total revenues</b>		<b>1,857,467,563</b>	<b>1,857,467,563</b>	<b>1,840,395,604</b>
<b>Expenses</b>				
Cost of sales		1,375,263,903	1,375,263,903	1,373,495,635
Cost of services		1,255,191	1,255,191	3,224,656
Selling expenses		109,255,581	109,255,581	118,347,450
Administrative expenses		81,471,642	81,471,642	70,857,723
Allowance for doubtful accounts (reversal)		10,058,427	10,058,427	(4,991,687)
Reversal of allowance for diminution in value of inventories		(4,158,146)	(4,158,146)	(12,643,913)
<b>Total expenses</b>		<b>1,573,146,598</b>	<b>1,573,146,598</b>	<b>1,548,289,864</b>
<b>Profit before share of loss from investment in joint venture, finance cost and income tax expenses</b>		<b>284,320,965</b>	<b>284,320,965</b>	<b>292,105,740</b>
Share of loss from investment in joint venture	10	(690,454)	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>283,630,511</b>	<b>284,320,965</b>	<b>292,105,740</b>
Finance cost		(39,901,585)	(39,901,585)	(44,455,822)
<b>Profit before income tax expenses</b>		<b>243,728,926</b>	<b>244,419,380</b>	<b>247,649,918</b>
Income tax expenses	21	(51,348,644)	(51,348,644)	(48,347,562)
<b>Profit for the year</b>		<b>192,380,282</b>	<b>193,070,736</b>	<b>199,302,356</b>
<b>Earnings per share</b>	22			
Basic earnings per share				
Profit for the year		0.16	0.16	0.17
Diluted earnings per share				
Profit for the year		0.15	0.15	0.17

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

# Statement of comprehensive income

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

(Unit: Baht)

	Note	Financial statements in which the equity method is applied	Separate financial statements	
		2015	2015	2014
<b>Profit for the year</b>		192,380,282	193,070,736	199,302,356
<b>Other comprehensive income</b>				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss	17	(1,827,566)	(1,827,566)	-
Less: Income tax effect	21	365,513	365,513	-
<b>Other comprehensive income for the year</b>		(1,462,053)	(1,462,053)	-
<b>Total comprehensive income for the year</b>		190,918,229	191,608,683	199,302,356

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



# Cash flows statement

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

(Unit: Baht)

	Financial statements in which the equity method is applied	Separate financial statements	
	2015	2015	2014
<b>Cash flows from operating activities</b>			
Profit before tax	243,728,926	244,419,380	247,649,918
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	181,990,989	181,990,989	163,877,024
Allowance for doubtful accounts (reversal)	10,058,427	10,058,427	(4,991,687)
Reversal of reduction of inventory to net realisable value	(4,158,146)	(4,158,146)	(12,643,913)
Gain on sales of equipment	(7,367,966)	(7,367,966)	(25,204,128)
Share of loss from investment in joint venture	690,454	-	-
Provision for product warranty	45,003	45,003	135,308
Provision for long-term employee benefits	1,366,068	1,366,068	1,038,186
Unrealised loss (gain) on exchange	4,669,949	4,669,949	(9,681,921)
Interest expenses	35,674,675	35,674,675	40,063,976
Profit from operating activities before changes in operating assets and liabilities	466,698,379	466,698,379	400,242,763
<b>Operating assets decrease (increase)</b>			
Trade and other receivables	43,183,944	43,183,944	(181,318,132)
Inventories	29,942,380	29,942,380	(18,621,043)
Other current assets	3,019,252	3,019,252	(478,953)
Other non-current assets	1,746,643	1,746,643	(2,369,679)
<b>Operating liabilities increase (decrease)</b>			
Trade and other payables	10,180,653	10,180,653	(134,818)
Other current liabilities	1,408,169	1,408,169	(4,475,900)
Cash flows from operating activities	556,179,420	556,179,420	192,844,238
Cash paid for corporate income tax	(40,968,279)	(40,968,279)	(44,326,354)
<b>Net cash flows from operating activities</b>	<b>515,211,141</b>	<b>515,211,141</b>	<b>148,517,884</b>

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

# Cash flows statement (continued)

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

(Unit: Baht)

	Financial statements in which the equity method is applied	Separate financial statements	
	2015	2015	2014
<b>Cash flows from investing activities</b>			
Decrease in restricted bank deposits	-	-	35,882,312
Increase in investment in joint venture	(7,317,000)	(7,317,000)	-
Acquisition of, plant and equipment and payment of payables for purchase of equipment	(300,058,102)	(300,058,102)	(331,997,678)
Acquisition of intangible assets	(1,717,069)	(1,717,069)	-
Proceeds from sale of equipment	8,853,848	8,853,848	12,867,282
<b>Net cash flows used in investing activities</b>	<b>(300,238,323)</b>	<b>(300,238,323)</b>	<b>(283,248,084)</b>
<b>Cash flows from financing activities</b>			
Increase in bank overdrafts and short-term loans from financial institutions	85,816,009	85,816,009	173,522,310
Cash receipt from long-term loans	144,276,795	144,276,795	173,109,226
Repayment of long-term loans	(167,629,422)	(167,629,422)	(162,553,060)
Cash paid for interest expenses	(35,211,322)	(35,211,322)	(42,324,385)
Cash receipt from convertible debentures	-	-	75,461,885
Advance from share subscription as warrants exercised	1,082,150	1,082,150	-
Dividend paid	(133,288,158)	(133,288,158)	(74,617,018)
<b>Net cash flows from (used in) financing activities</b>	<b>(104,953,948)</b>	<b>(104,953,948)</b>	<b>142,598,958</b>
<b>Net increase in cash and cash equivalents</b>	<b>110,018,870</b>	<b>110,018,870</b>	<b>7,868,758</b>
Cash and cash equivalents at beginning of year	56,204,286	56,204,286	48,335,528
<b>Cash and cash equivalents at end of year</b>	<b>166,223,156</b>	<b>166,223,156</b>	<b>56,204,286</b>
<b>Supplemental cash flows information</b>			
Non-cash items			
Undue installments for asset purchases	9,153,585	9,153,585	13,171,658
Outstanding receivable from sale of assets	31,771,507	31,771,507	30,799,906

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

# Statement of changes in shareholder's equity

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

(Unit: Baht)

	Issued and paid-up share capital	Financial statements in which the equity method is applied					Total shareholders' equity
		Share premium	Convertible debentures treated as equity securities	Advance from share subscription	Retained earnings	Unappropriated	
<b>Balance as at 1 January 2015</b>	300,595,544	191,812,706	29,489,885	-	32,000,000	333,743,382	887,641,517
Profit for the year	-	-	-	-	-	192,380,282	192,380,282
Other comprehensive income for the year	-	-	-	-	-	(1,462,053)	(1,462,053)
Total comprehensive income for the year	-	-	-	-	-	190,918,229	190,918,229
Convertible debentures treated as equity securities issued (Note 18)	2,332,090	25,957,795	(29,489,885)	-	-	-	(1,200,000)
Exercised warrants (Note 18)	25,250	176,750	-	-	-	-	202,000
Advance from share subscription as warrants exercised (Note 18)	-	-	-	880,150	-	-	880,150
Dividend paid (Note 23)	-	-	-	-	-	(133,288,158)	(133,288,158)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	7,573,191	(7,573,191)	-
<b>Balance as at 31 December 2015</b>	302,952,884	217,947,251	-	880,150	39,573,191	383,800,262	945,153,738

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

# Statement of changes in shareholder's equity (continued)

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

	Separate financial statements						(Unit: Baht)	
	Issued and paid-up share capital	Share premium	Convertible debentures treated as equity securities	Advance from share subscription	Retained earnings			Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2014</b>	295,000,000	151,436,250	-	-	29,500,000	211,558,044	687,494,294	
Total comprehensive income for the year	-	-	-	-	-	199,302,356	199,302,356	
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)	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	2,500,000	(2,500,000)	-	
<b>Balance as at 31 December 2014</b>	<b>300,595,544</b>	<b>191,812,706</b>	<b>29,489,885</b>	<b>-</b>	<b>32,000,000</b>	<b>333,743,382</b>	<b>887,641,517</b>	
<b>Balance as at 1 January 2015</b>	300,595,544	191,812,706	29,489,885	-	32,000,000	333,743,382	887,641,517	
Profit for the year	-	-	-	-	-	193,070,736	193,070,736	
Other comprehensive income for the year	-	-	-	-	-	(1,462,053)	(1,462,053)	
Total comprehensive income for the year	-	-	-	-	-	191,608,683	191,608,683	
Convertible debentures treated as equity securities issued (Note 18)	2,332,090	25,957,795	(29,489,885)	-	-	-	(1,200,000)	
Exercised warrants (Note 18)	25,250	176,750	-	-	-	-	202,000	
Advance from share subscription as warrants exercised (Note 18)	-	-	-	880,150	-	-	880,150	
Dividend paid (Note 23)	-	-	-	-	-	(133,288,158)	(133,288,158)	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	7,573,191	(7,573,191)	-	
<b>Balance as at 31 December 2015</b>	<b>302,952,884</b>	<b>217,947,251</b>	<b>-</b>	<b>880,150</b>	<b>39,573,191</b>	<b>384,490,716</b>	<b>945,844,192</b>	

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

# Notes to financial statements

Fortune Parts Industry Public Company Limited  
As at 31 December 2015

## 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.

The separate financial statements present investment in joint venture under the cost method.

## 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 standard that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised 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 former standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company has changed the recognition of actuarial gains and losses in the current year from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income. The changes in accounting policies had no effect to the Company's financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

**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 Investment in joint venture

Investment in joint venture is accounted for in the financial statements in which the equity method is applied using the equity method.

Investment in joint venture is accounted for in the separate financial statements using the cost method.

#### 4.6 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.

#### **4.7 Intangible assets and amortisation**

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:

Computer software	5 years
-------------------	---------

#### **4.8 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.

#### **4.9 Foreign currencies**

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

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

#### 4.10 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.

An impairment loss is recognised in profit or loss.

#### 4.11 Employee benefits

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits***

##### *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 or losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### 4.12 Provisions

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

#### **4.13 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

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

#### **5. Significant accounting judgements 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 judgements 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 person or related parties are summarised below.

<u>Name of related person or related parties</u>	<u>Relationship</u>
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA	Joint venture
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
United Auto Co., Ltd. (formerly known as "Dongfeng Automobile (Thailand) Co., Ltd.")	Company owned by related person of the Company's management

<u>Name of related person or related parties</u>	<u>Relationship</u>
United Engine Co., Ltd. (formerly known as "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 Hatairath Co., Ltd.	Common director and shareholding
Imperial Cable Industry Co., Ltd.	Common shareholding
Sangchai Motorbike Co., Ltd.	Common shareholding
Mr. Rattajak Muangsiri	Related person of the Company's management

During the years, the Company had significant business transactions with related person and 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)

	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements	Transfer pricing policy
	<u>2015</u>	<u>2014</u>	
<u>Transactions with related person and parties</u>			
Sales			
Sangthong Auto Partsworld Co., Ltd.	62,554	52,001	In the range of the average selling price in Asia or within 15% of competitor's selling price
United Auto Co., Ltd.	8,872	31,610	OEM: Market price; Other products: purchase price plus margin 6%
United Engine Co., Ltd.	7,294	14,742	OEM: Market price; Other products: purchase price plus margin 6%
Fortune Box Industry Co., Ltd.	100	177	Selling price within 10% of competitor's selling price
Total	<u>78,820</u>	<u>98,530</u>	

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements	Transfer pricing policy
	<u>2015</u>	<u>2014</u>	
Purchases of goods			
Sangthong Auto Partsworld Co., Ltd.	61,679	37,674	OEM: Within (plus or minus) 5% of the prices of other suppliers; Other products: from 20% below to plus 30% above the price of other suppliers
Fortune Box Industry Co., Ltd.	19,226	19,921	Purchased at prices of other suppliers to 6% lower than those for other suppliers
S.C.G. Industry Co., Ltd.	965	2,235	Purchased at prices (plus or minus) 2% of the prices of other suppliers
Imperial Cable Industry Co., Ltd.	388	351	Market price
Total	82,258	60,181	
Purchases of fixed assets			
Mr. Rattajak Muangsiri	2,523	-	Market price
Sangchai Motorbike Co., Ltd.	78	-	Market price
Siam City Group Development Co., Ltd.	-	110	Market price
Total	2,601	110	
Other expenses			
Super Central Gas Co., Ltd.	678	269	Market price
K-Mart Service Co., Ltd.	486	726	Market price
S C G Hatairath Co., Ltd.	299	302	Market price
Total	1,463	1,297	

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

(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	2015	2014
<u>Trade receivable - related parties</u> (Note 8)		
United Auto Co., Ltd.	29,699	31,610
Sangthong Auto Partsworld Co., Ltd.	19,745	20,401
United Engine Co., Ltd.	10,880	14,756
Fortune Box Industry Co., Ltd.	21	21
Total	60,345	66,788
<u>Trade payable - related parties</u> (Note 14)		
Sangthong Auto Partsworld Co., Ltd.	11,347	11,263
Fortune Box Industry Co., Ltd.	5,468	3,554
S.C.G. Industry Co., Ltd.	486	155
Imperial Cable Industry Co., Ltd.	88	200
Total	17,389	15,172
<u>Other payables - related parties</u> (Note 14)		
FORTUNE-PARTS INDUSTRY ECUADOR		
CIA.LTDA	9,294	-
K-Mart Service Co., Ltd.	67	138
S C G Hatairath Co., Ltd.	25	56
Super Central Gas Co., Ltd.	-	77
Total	9,386	271



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)

	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	<u>2015</u>	<u>2014</u>
Short-term employee benefits	24,055	21,505
Post-employment benefits	448	347
Total	<u>24,508</u>	<u>21,852</u>

**7. Cash and cash equivalents**

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	<u>2015</u>	<u>2014</u>
Cash	150	150
Bank deposits	166,073	56,054
Total	<u>166,223</u>	<u>56,204</u>

As at 31 December 2015, bank deposits in saving accounts carried interest at 0.10% - 0.375% per annum (2014: 0.375% per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements <u>2015</u>	Separate financial statements <u>2014</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	22,562	59,174
Past due		
Up to 3 months	-	7,614
3 - 12 months	37,783	-
Total trade receivables - related parties	60,345	66,788
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	366,389	406,023
Past due		
Up to 3 months	121,067	136,418
3 - 12 months	125,861	108,126
Over 12 months	22,740	16,765
Total	636,057	667,332
Less: Allowance for doubtful accounts	(28,522)	(18,714)
Total trade receivables - unrelated parties, net	607,535	648,618
Total trade receivables - net	667,880	715,406
<u>Other receivables</u>		
Other receivables from selling equipment	31,772	30,800
Revenue department receivable	12,774	8,413
Others receivables	39	18
Total	44,585	39,231
Less: Allowance for doubtful accounts	(292)	(42)
Total other receivables, net	44,293	39,189
Total trade and other receivables - net	712,173	754,595

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	2015	2014	2015	2014	2015	2014
Finished goods (included trading goods)	314,257	348,373	(30,240)	(36,972)	284,017	311,401
Work in process	21,046	17,717	(3,697)	(3,141)	17,349	14,576
Raw materials	57,820	57,292	(10,328)	(8,647)	47,492	48,645
Packaging materials and supplies	17,929	17,612	(1,278)	(941)	16,651	16,671
Total	411,052	440,994	(45,543)	(49,701)	365,509	391,293

## 10. Investment in joint venture

### 10.1 Details of investment in joint venture

In April 2015, the Company invested in FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA, which was incorporated on 21 February 2015 in the Republic of Ecuador in order to invest in and/or expand the automotive parts and accessories business. The Company's interest in this company is 45% of its registered share capital of USD 500,000, representing an investment of USD 225,000 and the Company paid the share subscription on 24 April 2015. The Company's management has deemed the investment in this company to be an investment in a jointly controlled entity, held between the Company and INVEMIK CIA.LTDA. Both joint venturers have entered into the Shareholders Agreement, which stipulates joint control between the two parties through the board of directors of the jointly controlled entity. In addition, neither of the venturers has control over the operations of the jointly controlled entity.

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Shareholding percentage		Financial statements in which the equity method is applied	Separate financial statements	
				Carrying amounts based on equity method	Carrying amounts based on cost method	
		2015 (%)	2014 (%)	2015	2015	2014
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA	Manufacture and distribution of the automotive replacement parts	45	-	6,627	7,317	-
Total				6,627	7,317	-

## 10.2 Share of loss

During the year, the Company recognised its share of loss from investment in the joint venture in the financial statements in which the equity method is applied as follows:

Joint venture	Share of loss from investment in joint venture during the year
	2015
FORTUNE-PARTS INDUSTRY ECUADOR CIA. LTDA	690
Total	690

## 11. Property, plant and equipment

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied							
	Land	Land improvement	Factory and office buildings	Machinery and equipment	Moulds and printing blocks	Fixtures and office equipment	Motor vehicles	Construction in progress
<b>Cost</b>								
1 January 2015	89,482	15,864	219,397	522,799	1,377,457	41,123	25,269	161,431
Additions	-	-	-	52,846	128,232	8,868	5,396	100,698
Disposals/write-off	-	-	-	(909)	(6,106)	-	(1,780)	-
Transfer in/(transfer out)	-	-	194,514	22,143	14,679	180	-	(231,516)
31 December 2015	89,482	15,864	413,911	596,879	1,514,262	50,171	28,885	30,613

(Unit: Thousand Baht)

## Financial statements in which the equity method is applied

	Land	Land improvement	Factory and office buildings	Machinery and equipment	Moulds and printing blocks	Fixtures and office equipment	Motor vehicles	Construction in progress	Total
<b>Accumulated depreciation</b>									
1 January 2015	-	(8,472)	(75,654)	(355,192)	(1,058,303)	(24,844)	(17,050)	-	(1,539,515)
Depreciation for the year	-	(793)	(14,443)	(54,880)	(102,182)	(5,106)	(3,930)	-	(181,334)
Depreciation on disposals/ write-off	-	-	-	695	4,126	-	1,780	-	6,601
31 December 2015	-	(9,265)	(90,097)	(409,377)	(1,156,359)	(29,950)	(19,200)	-	(1,714,248)
<b>Net book value</b>									
31 December 2015	89,482	6,599	323,814	187,502	357,903	20,221	9,685	30,613	1,025,819
<b>Depreciation for the year</b>									
2015 (Baht 173 million included in cost of sales and cost of services, and the balance in administrative expenses)									181,334

(Unit: Thousand Baht)

## Separate financial statements

	Land	Land improvement	Factory and office buildings	Machinery and equipment	Moulds and printing blocks	Fixtures and office equipment	Motor vehicles	Construction in progress	Total
<b>Cost</b>									
1 January 2014	89,482	15,864	164,961	491,230	1,227,634	30,354	24,719	90,474	2,134,718
Additions	-	-	-	21,051	132,364	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	522,799	1,377,457	41,123	25,269	161,431	2,452,822
Additions	-	-	-	52,846	128,232	8,868	5,396	100,698	296,040
Disposals/write-off	-	-	-	(909)	(6,106)	-	(1,780)	-	(8,795)
Transfer in/(transfer out)	-	-	194,514	22,143	14,679	180	-	(231,516)	-
31 December 2015	89,482	15,864	413,911	596,879	1,514,262	50,171	28,885	30,613	2,740,067
<b>Accumulated depreciation</b>									
1 January 2014	-	(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)
Depreciation for the year	-	(793)	(14,443)	(54,880)	(102,182)	(5,106)	(3,930)	-	(181,334)
Depreciation on disposals/ write-off	-	-	-	695	4,126	-	1,780	-	6,601
31 December 2015	-	(9,265)	(90,097)	(409,377)	(1,156,359)	(29,950)	(19,200)	-	(1,714,248)
<b>Net book value</b>									
31 December 2014	89,482	7,392	143,743	167,607	319,154	16,279	8,219	161,431	913,307
31 December 2015	89,482	6,599	323,814	187,502	357,903	20,221	9,685	30,613	1,025,819
<b>Depreciation for the year</b>									
2014 (Baht 159 million included in cost of sales and cost of services, and the balance in administrative expenses)									163,349
2015 (Baht 173 million included in cost of sales and cost of services, and the balance in administrative expenses)									181,334

As at 31 December 2015, 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 1,160 million (2014: Baht 1,035 million).

The Company has mortgaged, certain property, plant and equipment amounting to approximately Baht 133 million (2014: Baht 147 million) as collateral against credit facilities received from financial institutions.

## 12. Intangible assets

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied
	Computer software
<b>Cost</b>	
1 January 2015	7,621
Acquisition	1,717
31 December 2015	9,338
<b>Accumulated amortisation</b>	
1 January 2015	(5,934)
Amortisation	(656)
31 December 2015	(6,590)
<b>Net book value</b>	
31 December 2015	2,748

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
<b>Cost</b>	
1 January 2014	7,621
31 December 2014	7,621
Acquisition	1,717
31 December 2015	9,338

	(Unit: Thousand Baht)
	Separate
	financial statements
	Computer software
<b>Accumulated amortisation</b>	
1 January 2014	(5,406)
Amortisation	(528)
31 December 2014	(5,934)
Amortisation	(656)
31 December 2015	(6,590)
<b>Net book value</b>	
31 December 2014	1,687
31 December 2015	2,748

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

		(Unit: Thousand Baht)	
	Interest rate	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	(% per annum)	2015	2014
Bank overdrafts	MOR	-	4,551
Short-term loans - bill of exchange	3.25 - 4.05	734,983	595,249
Short-term loans - trust receipts	LIBOR/SIBOR + 1.25 to 1.50	26,242	77,876
Short-term loans - packing credit	LIBOR/SIBOR + 1.50, 2.90, 3.80	62,728	65,919
Short-term loans - letters of credit	SIBOR + 2.00 to 2.30, MMR, MMR - 0.30	54,343	48,691
Total		878,296	792,286

Bank overdrafts and short-term loans from financial institutions 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)

	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	<u>2015</u>	<u>2014</u>
Trade payables - related parties	17,389	15,172
Trade payables - unrelated parties	173,666	177,542
Other payables - related parties	9,386	271
Other payables - unrelated parties	27,317	26,472
Other payables for purchase of equipment	9,154	13,172
Accrued expenses	31,907	29,544
Total trade and other payables	<u>268,819</u>	<u>262,173</u>

**15. Long-term loans**

(Unit: Thousand Baht)

	Interest rate (% per annum)	Repayment schedule	Collateral	<u>2015</u>	<u>2014</u>
<b>Facility 1</b>	LIBOR/SIBOR + 1.50	Monthly installments of principal and interest amounting to not less than USD 285,336 each (2014: USD 243,022 each)	Mortgage of land with premises thereon and mortgage of machinery with equipment.	205,070	171,139
<b>Facility 2</b>	Year 1-4: 4.50	Monthly installments of principal and interest amounting to Baht 2,778,000 each, with full repayment made in 2015	Mortgage of land and premises thereon	-	43,112
Total				205,070	214,251
Less: Current portion				(108,812)	(119,214)
Long-term loans, net of current portion				<u>96,258</u>	<u>95,037</u>

## 16. Short-term provision

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied
	Provision for product warranty
1 January 2015	3,215
Increase during the year	1,731
Utilised	(1,686)
31 December 2015	3,260

(Unit: Thousand Baht)

	Separate financial statements
	Provision for product warranty
1 January 2014	3,080
Increase during the year	3,139
Utilised	(3,004)
1 January 2015	3,215
Increase during the year	1,731
Utilised	(1,686)
31 December 2015	3,260

## 17. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	<u>2015</u>	<u>2014</u>
<b>Provision for long-term employee benefits at beginning of year</b>	4,521	3,483
Included in profit or loss:		
Current service cost	1,186	900
Interest cost	180	138
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumption changes	1,468	-
Financial assumption changes	799	-
Experience adjustments	(439)	-
<b>Provision for long-term employee benefits at end of year</b>	<b>7,715</b>	<b>4,521</b>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	<u>2015</u>	<u>2014</u>
Cost of sales and cost of services	705	533
Administrative expenses	661	505
<b>Total expenses recognised in profit or loss</b>	<b>1,366</b>	<b>1,038</b>

For the years 2015 and 2014, the Company does not expect to pay long-term employee benefits during the next year.

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 11.36 years (2014: 10.65 years).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)	
	2015	2014
Discount rate	2.73	3.97
Salary increase rate	5.50	5.50
Turnover rate	0 - 52	0 - 52

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	Increase 1%	Decrease 1%
Discount rate	(761)	882
Salary increase rate	827	(730)
Turnover rate	(865)	657

## 18. Share capital/Convertible debentures/Warrants

### Convertible debentures

On 23 December 2013, an Extraordinary General Meeting of the Company's shareholders approved 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 with a value not exceeding SGD 2 million each 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 conversion date.

Number of ordinary : Not more than 25,000,000 ordinary shares  
shares reserved  
for exercise

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

The convertible debenture holders have exercised their 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 of Stock Exchange of Thailand approved ordinary shares as listed securities
<u>Tranche 1 of convertible debentures</u>					
28 February 2014	2,500	286,861	8.715	28 February 2014	6 March 2014
19 - 20 March 2014	12,500	1,434,308	8.715	19 March 2014	24 March 2014
21 - 24 March 2014	33,750	3,874,375	8.699 and 8.715	27 March 2014	1 April 2014
Total exercise in 2014	48,750	5,595,544			
9 March 2015	1,250	373,134	3.350	11 March 2015	16 March 2015
Total exercise in 2015	1,250	373,134			
<u>Tranche 2 of convertible debentures</u>					
9 March 2015	30,000	8,955,224	3.350	11 March 2015	16 March 2015
Total exercise in 2015	30,000	8,955,224			

Movements of the convertible debenture account are summarised below.

	(Unit: Thousand Baht)	
	2015	2014
Balance as at beginning of the year	29,490	-
Add: Issue of convertible debentures	-	80,000
Less: Issue costs of convertible debentures	(1,200)	(4,538)
Net	28,290	75,462
Less: Conversion to ordinary shares (net of related expenses)	(28,290)	(45,972)
Balance as at end of the year	-	29,490

#### Change in par value and increase of registered share capital

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, issued and paid-up share capital, resulting in an increase in the number of the Company's ordinary shares from 320 million shares to 1,280 million shares and an increase in the number of the issued and paid-up share from 300.60 million shares to 1,202.38 million shares. The Company registered the change in the par value of the ordinary shares with the Ministry of Commerce on 13 October 2014.

On 2 April 2015, the Annual General Meeting of the Company's shareholders approved an increase in the Company's registered share capital from Baht 320 million (1,280 million ordinary shares of Baht 0.25 each) to Baht 395.73 million (1,582.92 million ordinary shares of Baht 0.25 each), through the issuance of 302.92 million additional ordinary shares with a par value of Baht 0.25 each, to be reserved for the exercise of the warrants. The Company registered the increase in registered share capital with the Ministry of Commerce on 21 April 2015.

#### Warrants

On 2 April 2015, the Annual General Meeting of the Company's shareholders approved the issuance and offering of named and transferable 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 302.92 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 each March, June, September, and December until the expiry date.
Listing	:	Warrants to be listed on the Market for Alternative Investment

However, the exercise price and exercise ratio may be adjusted if certain events stipulated in the rights adjustment conditions occur.

On 9 June 2015, the Company issued the warrants of the Company No. 1 to the existing shareholders of the Company. The first exercise date of the warrants is 30 September 2015 and the last exercise date is 8 June 2018.

The Company received payment for the exercise of warrants (FPI-W1) as follows.

Date of exercise	Quantity of exercised warrants (Thousand units)	Ordinary shares issued for exercise of warrants (Thousand shares)	Exercise price (Baht)	Date of registration with the Ministry of Commerce	Date of Stock Exchange of Thailand approved ordinary shares as listed securities
<u>FPI-W1</u>					
30 September 2015	101	101	2	7 October 2015	12 October 2015
30 December 2015	404	404	2	8 January 2016	13 January 2016
Total exercise in 2015	541	541			

Cash receipts amounting to Baht 0.88 million from the exercise of rights to convert warrants to ordinary shares on 30 December 2015 were recorded as advance from share subscription.

A reconciliation of the number of warrants is provided below.

	(Unit: Units)
Number of warrants as at 1 January 2015	-
Issued during the year	302,927,618
Exercised during the year	(541,075)
Number of warrants as at 31 December 2015	302,386,543



Reconciliation of number of ordinary shares

The conversion of convertible debentures to ordinary shares, the change in the par value, and the exercise of warrants resulted in increases in the number of issued and paid-up capital shares, the issued and paid-up share capital, and the share premium, 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	290,000	151,436
Increase in capital from conversion of convertible debentures	5,596	5,596	40,377
Increase from the change in par value	901,786	-	-
Balance as at 31 December 2014	1,202,382	300,596	191,813
Increase in capital from conversion of convertible debentures	9,329	2,332	25,958
Increase in capital from warrant exercise	101	25	176
Balance as at 31 December 2015	1,211,812	302,953	217,947

**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)

	Financial statements in which the equity method is applied/ Separate financial statements 2015	Separate financial statements 2014
Salaries, wages and other employee benefits	150,013	135,020
Depreciation and amortisation	181,991	163,877
Freight charges	94,815	106,724
Cost of trading goods	561,200	640,120
Raw materials and consumables used	405,251	388,012
Changes in work in process	(3,329)	(1,288)

## 21. Income tax

Income tax expenses are made up as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied	Separate financial statements	
	<u>2015</u>	<u>2015</u>	<u>2014</u>
<b>Current income tax</b>			
Current income tax charge	52,918	52,918	45,573
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences	(1,569)	(1,569)	2,775
<b>Income tax expenses reported in the income statements</b>	<b>51,349</b>	<b>51,349</b>	<b>48,348</b>

The amounts of income tax relating to each component of other comprehensive income are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied	Separate financial statements	
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Deferred tax on actuarial loss	366	366	-
	<b>366</b>	<b>366</b>	<b>-</b>

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied	Separate financial statements	
	2015	2015	2014
Accounting profit before tax	243,729	244,419	247,650
Applicable tax rate	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	48,746	48,884	49,530
Effect of			
Share of loss from investment in joint venture	138	-	-
Non-deductible expenses	2,624	2,624	454
Additional expense deductions allowed	(159)	(159)	(1,636)
Total	2,603	2,465	(1,182)
Income tax expenses reported in the income statements	51,349	51,349	48,348

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

(Unit: Thousand Baht)

	Statements of financial position as at 31 December	
	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	2015	2014
<b>Deferred tax assets</b>		
Adjustment from revaluation according to forward exchange contracts	555	(206)
Allowance for doubtful accounts	91	91
Allowance for diminution of inventories	9,109	9,940
Accumulated amortisation - computer software	16	24
Provision for long-term employee benefits	1,543	904
Provision for product warranty	652	643
Total	11,966	11,396
<b>Deferred tax liabilities</b>		
Deferred revenue from customs duty	12,288	13,653
Total	12,288	13,653

## 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:

Financial statements in which the equity method is applied		
	Weighted average number of ordinary shares	Earnings per share
Profit for the year		
<u>2015</u>	<u>2015</u>	<u>2015</u>
(Thousand Baht)	(Thousand shares)	(Baht)
<b>Basic earnings per share</b>		
Profit for the year	192,380	1,209,971
		0.16
<b>Effect of dilutive potential ordinary shares</b>		
Convertible debentures	-	1,763
Warrants	-	104,079
<b>Diluted earnings per share</b>		
Profit attributable to ordinary shareholders assuming the conversion of convertible debentures and warrants to ordinary shares	192,380	1,315,813
		0.15

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit for the year	193,071	199,302	1,209,971	1,198,792	0.16	0.17
<b>Effect of dilutive potential ordinary shares</b>						
Convertible debentures	-	-	1,763	859		
Warrants	-	-	104,079	-		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of convertible debentures and warrants to ordinary shares	193,071	199,302	1,315,813	1,199,651	0.15	0.17

### 23. Dividend paid

Dividends	Approved by	Number of shares (Thousand shares)	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2013	Annual General Meeting of the shareholders on 3 April 2014	295,277	29,528	0.10
Interim dividends on operating results for the six-month period ended 30 June 2014	Board of Directors' Meeting on 8 August 2014	300,595	45,089	0.15
Total dividends for the year 2014			74,617	0.25

Dividends	Approved by	Number of shares (Thousand shares)	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2014	Annual General Meeting of the shareholders on 2 April 2015	1,211,711	84,820	0.07
Interim dividends on operating results for the six-month period ended 30 June 2015	Board of Directors' Meeting on 10 August 2015	1,211,711	48,468	0.04
Total dividends for the year 2015			133,288	0.11

## 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

No operating segments have been aggregated to form the above reportable operating segments.

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	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues	282,228	241,638	1,535,111	1,515,162	1,600	6,172	1,818,939	1,762,972
Segment income	57,808	38,522	388,425	357,426	344	2,947	446,577	398,895
Other income							38,529	77,424
Selling expenses							(109,255)	(118,347)
Administrative expenses							(91,530)	(65,866)
Share of loss from investment in joint venture							(690)	-
Finance cost							(39,902)	(44,456)
Income tax expenses							(51,349)	(48,348)
Profit for the year							192,380	199,302

#### Geographic information

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	Separate financial statements
	2015	2014
Revenue from external customers		
Thailand	283,828	247,810
Saudi Arabia	445,495	356,576
Others	1,089,616	1,158,586
Total	1,818,939	1,762,972

#### Major customers

For the years 2015 and 2014, 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. The contributions for the year 2015 amounting to approximately Baht 2 million (2014: Baht 2 million) were recognised as expenses.

## **26. Commitments and contingent liabilities**

### **26.1 Capital commitments**

As at 31 December 2015, the Company had capital commitments of approximately Baht 4 million (2014: Baht 30 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 2015, there were outstanding bank guarantees of approximately Baht 6 million (2014: Baht 6 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 2015					
	Fixed interest rate				
	Within 1 year	Between 1-2 years	Floating interest rate	Non-interest bearing	Interest rate (% per annum)
<b>Financial assets</b>					
Cash and cash equivalents	-	-	166	-	0.10 - 0.375
Trade and other receivables	-	-	-	712	-
Total	-	-	166	712	
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	735	-	143	-	1.852 - 4.05
Trade and other payables	-	-	-	269	-
Long-term loans	-	-	205	-	1.922 - 2.213
Total	735	-	348	269	

(Unit: Million Baht)

As at 31 December 2014					
	Fixed interest rate				
	Within 1 year	Between 1-2 years	Floating interest rate	Non-interest bearing	Interest rate (% per annum)
<b>Financial assets</b>					
Cash and cash equivalents	-	-	56	-	0.375
Trade and other receivables	-	-	-	755	-
Total	-	-	56	755	
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	595	-	197	-	1.578 - 7.375
Trade and other payables	-	-	-	262	-
Long-term loans	33	10	171	-	1.819 - 4.50
Total	628	10	368	262	

### 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 2015			
Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	16	7	35.83 - 36.25

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

Forward exchange contracts outstanding are summarised below.

As at 31 December 2015			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	7	34.11 - 36.63	January - May 2016

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

## 28.2 Fair values of financial instruments

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

**29. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the financial statements in which the equity method is applied's debt-to-equity ratio was 1.50:1 and the Company's debt-to-equity ratio was 1.49:1 (2014: 1.48:1).

**30. Events after the reporting period**

On 18 February 2016, 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 2015, totaling Baht 85 million.
2. To approve a decrease of the registered capital of the Company from the existing registered capital of Baht 396 million to be the new registered capital of Baht 379 million by canceling its registered but un-issued share in the number of 68 million capital shares as are reserved for the exercise of the convertible debentures.
3. To acknowledge the progress of the investment in the joint ventures "Safe Energy Group (Narathiwat 1) Co., Ltd." "Safe Energy Group (Yala 1) Co., Ltd." "Safe Energy Group (Pattani) Co., Ltd." "Safe Energy Group (Songkla) Co., Ltd." in order to invest in biomasspower plant business. The joint ventures were established on 27 January 2016 with a registered share capital of Baht 20 million each and the Company's interests in the joint ventures are 25%, 20%, 25%, 25% of each registered capital, respectively. The Company has paid in share subscriptions totaling Baht 4.75 million in January 2016.

The above No.1 and No.2 are to be proposed to the shareholders' meeting for approval.

**31. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2016.

## AUDIT FEE AND **OTHER FEES**

Company has paid fee to audit for 2015 fiscal year to EY Office Limited, auditor of company amount 1,520,000 Baht. The Company paid other fees to the auditors, such as travelling and photocopies expenses amount 84,483 Baht.



“We are selling automotive parts  
around the world”

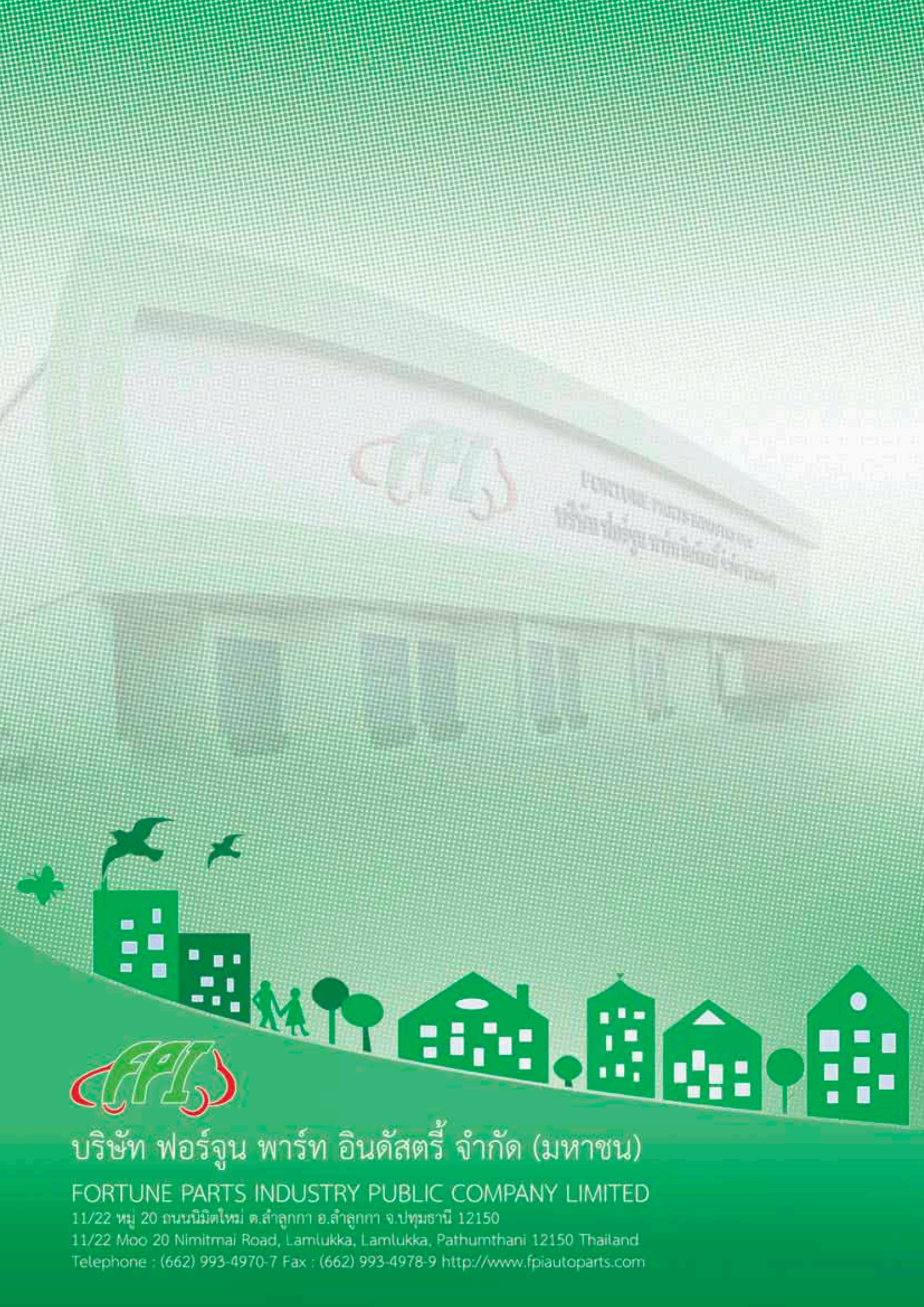


**automechanika**

**automechanika**  
MIDDLE EAST







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



บริษัท ฟอจูน พาร์ท อินดัสตรี จำกัด (มหาชน)

FORTUNE PARTS INDUSTRY PUBLIC COMPANY LIMITED

11/22 หมู่ 20 ถนนนimitใหม่ ต.ลำลูกกา อ.ลำลูกกา จ.ปทุมธานี 12150

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>