

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

รายงานประจำปี 2560

ANNUAL REPORT 2017



www.fpiautoparts.com





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



Fortune Parts Industry Public Company Limited.

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

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

WITH over 27 years of experience, profession expertise, strong client base and plastics injection technology, FPI has manifested continued development and has been able to meet customer's requirements.

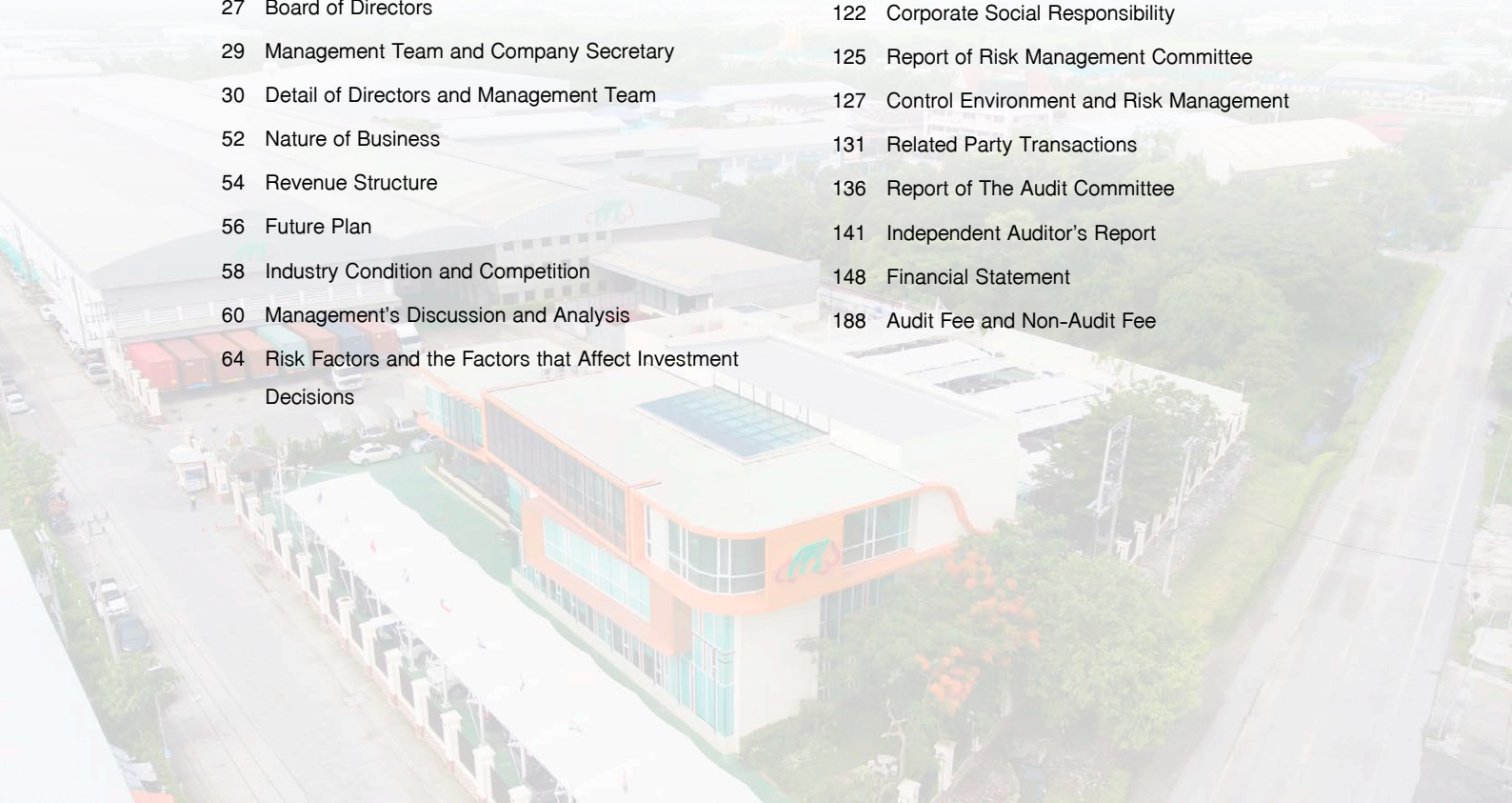
"GREEN ECO FRIENDLY PRODUCTS"

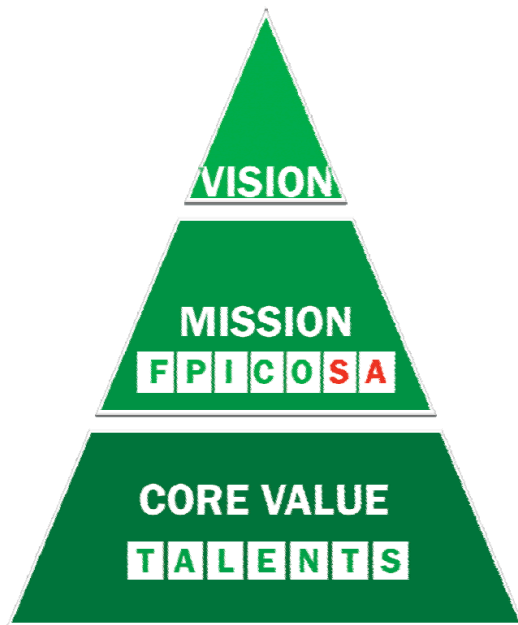




CONTENTS

02	Vision, Mission and Corporate Strategy	70	Shareholding Structure
06	Financial Highlights	72	Dividend Payment Policy
10	Awards and Recognitions	73	Organization Chart
11	Major Events and Activities in 2017	74	Organization Structure
16	Message from the Executive Committee and managing Director	89	Report of the Nomination and Remuneration Committee
18	General Company Information	91	Directors Compensation
21	Company Background	94	Human Resource Development Policy
26	Business Structure	95	Report of the Corporate Governance Committee
27	Board of Directors	97	Corporate Governance
29	Management Team and Company Secretary	122	Corporate Social Responsibility
30	Detail of Directors and Management Team	125	Report of Risk Management Committee
52	Nature of Business	127	Control Environment and Risk Management
54	Revenue Structure	131	Related Party Transactions
56	Future Plan	136	Report of The Audit Committee
58	Industry Condition and Competition	141	Independent Auditor's Report
60	Management's Discussion and Analysis	148	Financial Statement
64	Risk Factors and the Factors that Affect Investment Decisions	188	Audit Fee and Non-Audit Fee





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 on-time delivery.

Sustainability Development

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

Alliance

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

CORE VALUE

The Company has defined “TALENTS For Sustainable Innovation” as a core feature of the whole organization, creating a corporate value and continually evolving into FPI’s DNA as an integrated approach to the implementation of all departments to drive sustainable development.



TALENTS for Sustainable Innovation





Objectives and Goals

Fortune Parts Industry Public Company Limited has reviewed Vision, Mission and Corporate direction annually through strategic planning process to ensure the alignment with current global context and future business trends. FPI's aspiration to become a leader in industrial business in the following 3 aspects within 2020:

Business Growth

FPI aims to create continuously a steady and sustainable growth as a leading automotive parts manufacturer and hub of the distribution of automotive parts through being competitively prominent in the industry and investing in various growth countries

Return on Investment

FPI aims to achieve a top quartile performance among Automotive's leading players and fairly delivers return to all stakeholders.

Sustainability

FPI aims to operate the business upon the balance of economy, society and environment to ensure a sustainable growth.

Corporate Strategies

FPI's corporate direction and strategies has focused on sustaining its competitiveness at the top level among peers. Meanwhile, is preparing on various aspects of its organization to accelerate future growth. FPI has employed these strategies as a framework for business operations with regular monitoring to ensure the achievement of short-term and long-term goals. Our strategies as below:

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

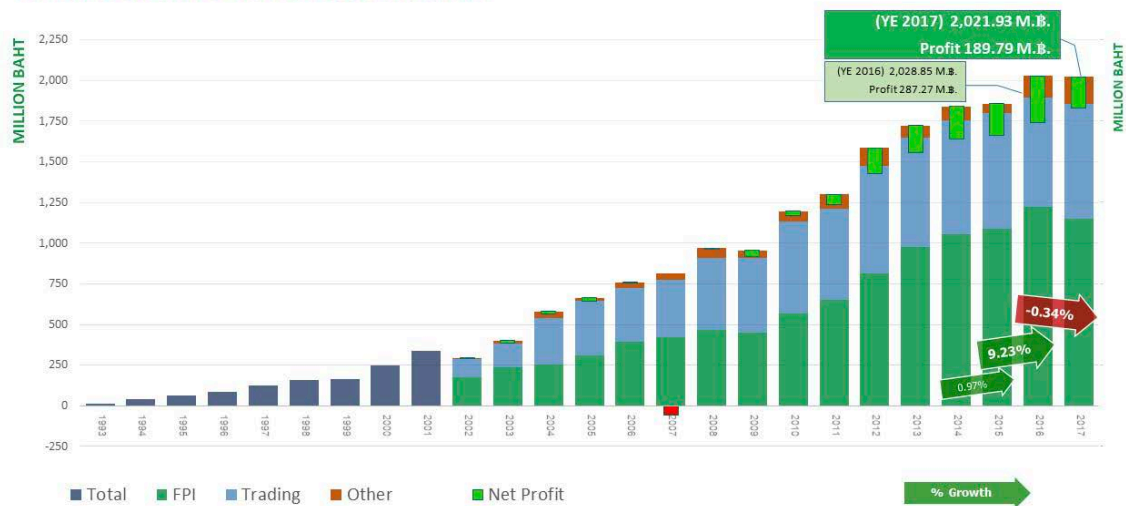
9.3 Green community environment and pollution, both inside and outside the organization.



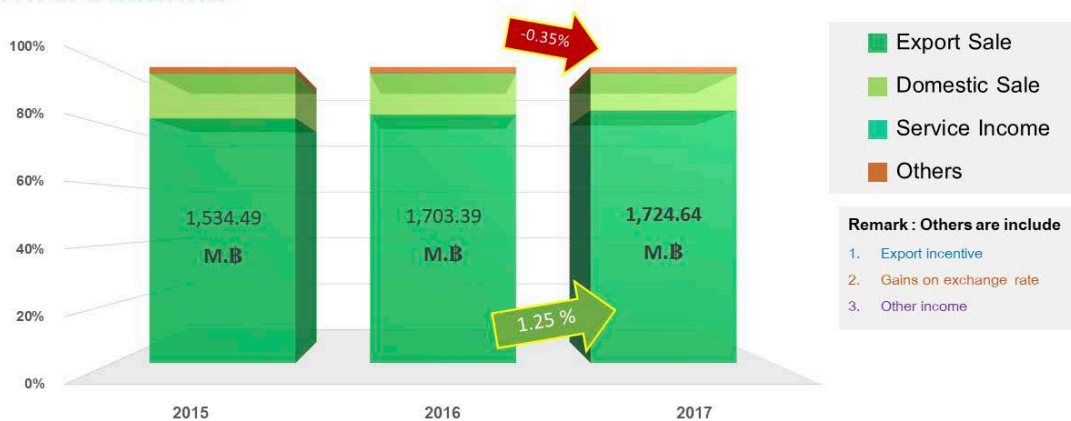
Financial Highlights

Total Revenues (Unit : Million Baht)

Total Revenue Since 1993 to 2017

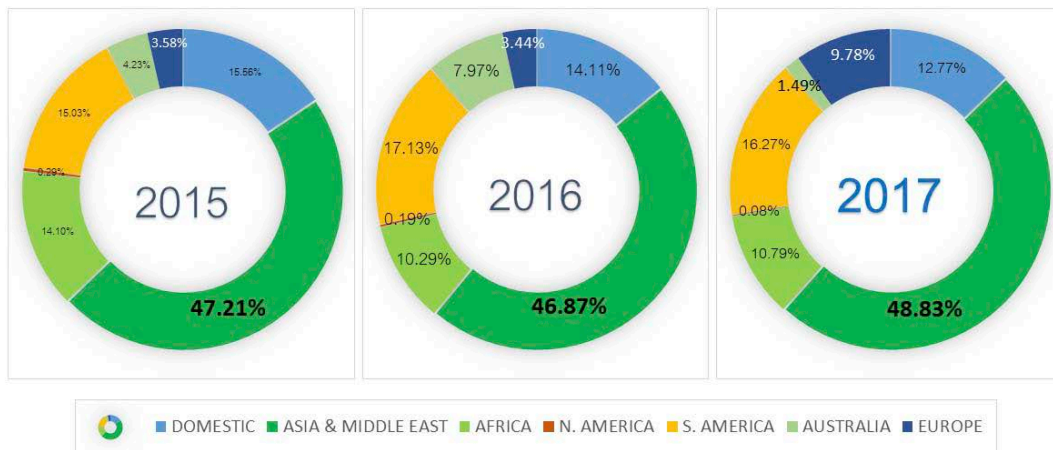


Total Revenue



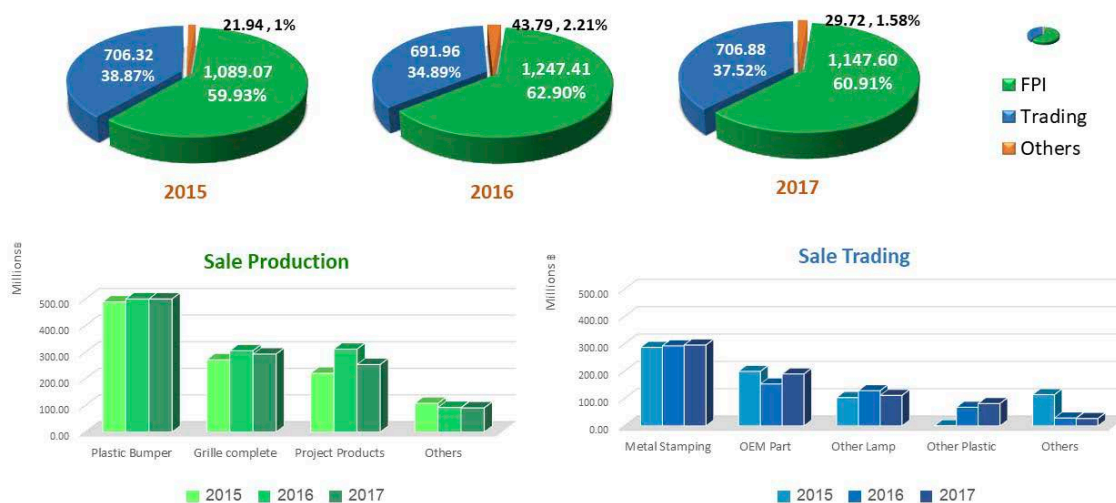
Total Revenues by Zone (%)

CUSTOMER ZONE



Total sales by Product categories (Million Baht)

Total Sale by Product categories (M.Baht)



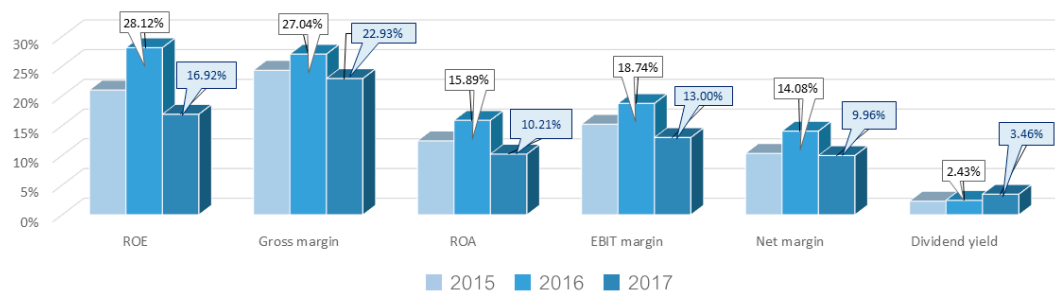


Statement of financial position (Unit : Million Baht)	2015	2016	2017
Total assets	2,359.15	2,428.73	2,783.15
Cash and cash equivalents	166.22	131.81	259.14
Trade and other receivables	712.17	731.05	724.07
Inventories	365.51	355.75	429.72
Other current assets	78.13	62.48	62.70
Property, plants and equipment	1,025.82	1,068.16	1,020.62
Non-current assets	11.30	79.48	286.90
Total liabilities	1,413.31	1,339.58	1,467.98
Current liabilities	1,309.01	1,247.62	1,384.09
Non-current liabilities	104.30	91.96	83.89
Total shareholders's equity	945.84	1,089.15	1,315.17

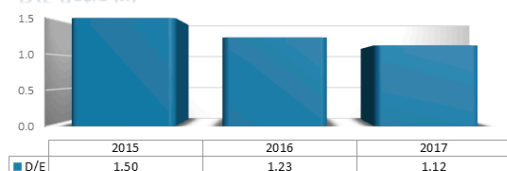
Financial ratios	2015	2016	2017
Current ratio (times)	1.01	1.03	1.07
Gross profit margin (%)	24.32	27.04	22.93
EBIT margin (%)	15.24	18.74	13.00
EBITDA margin (%)	25.64	29.39	23.60
Net profit on total revenues (%)	10.33	14.08	9.96
Return on total assets (%)	12.44	15.89	10.21
Return on equity (%)	20.99	28.12	16.92
Debt to equity ratio (time)	1.50	1.23	1.11

Dividend Paid (Baht/Share)					
Year	1 st half	2 nd half	Full year	Earning per share (Baht/share)	Dividend Payout Ratio (%)
2017	0.06	0.04	0.10	0.15	67.71
2016	0.06	0.10	0.16	0.24	67.89
2015	0.07	0.04	0.11	0.16	69.06

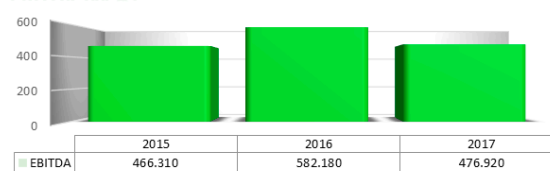
Financial Ratio Summary



D/E Ratio (x)



EBITDA (M.฿)





Awards and Recognitions

<p>“Carbon Footprint for Organization : CFO, Carbon Footprint Products : CFP, Carbon Footprint Reduction : CFR”</p>	<p>Thailand Sustainability Award 2017</p>	<p>Rising Star Sustainability Award 2017</p>
	 	 
<p>FPI was ranked the first automotive parts manufacture in Thailand certified Carbon Footprint for Organization :CFO, Carbon Footprint Products : CFP, Carbon Footprint Reduction :CFR</p>	<p>FPI received the "Sustainable Investment 2017" at the SET Awards 2017.</p>	<p>FPI received the "Rising Star Sustainability Awards 2017" at the SET Awards 2017.</p>
<p>19 July 2017 Thailand Greenhouse Gas Management Organization</p>	<p>8 November 2017 The Stock Exchange of Thailand</p>	<p>8 November 2017 The Stock Exchange of Thailand</p>

Major Events and Activities in 2017

Fortune Parts Industry Public Company Limited

- ❖ 21 February 2017 Recognition of Certificated of ISO50001



- ❖ 22 February 2017 Speakers in the seminar on the subject CG Report Writing Technique in Good Corporate Governance
- ❖ 11 March 2017 Roadway to mai No. 1 Project to prepare SMEs to enter the mai market (mai)
- ❖ 14 March 2017 Analyst Meeting @Studio R11 Room Renaissance Bangkok Ratchaprasong Hotel





- ❖ 23 March 2017 Roadway to mai No. 2 Project to prepare SMEs to enter the mai market (mai)



- ❖ 4 April 2017 The Annual General Shareholders' Meeting at The Emerald Hotel, Panorama 1 room , 14 Floor, Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok.



- ❖ 22 May 2017 Company Snap shot @ Nomura



- ❖ 24 May 2017 Speakers in the seminar on Basic Investor Relations



- ❖ 19 June 2017 Thai Shareholders Association Company Visit



- ❖ 1 July 2017 mai Forum 2017



- ❖ 19 September 2017 Hundreds of hearts to reduce global warming.



❖ 8 November 2017 SET Awards 2017



❖ 15 December 2017 Brings Power to 13,000 Cancer Patients



❖ 19 December 2017 Knowledge Seminar for Automotive Parts Marketing in Eastern Australia and South Africa (TAPMA)



Major Events and Activities in 2017 (Cont.)

Joint Ventures

SAFE ENERGY HOLDINGS COMPANY LIMITED

7 February 2017	Incorporated and registered capital of 1 million baht to invest in a biomass power plant.
13 February 2017	A meeting of the Company's Board of Directors approved an investment in a biomass power plant project of Prize of Wood Green Energy Co., Ltd.
13 March 2017	Increase in registered share capital from Baht 1 million to Baht 426 million for purchasing ordinary shares of Prize of Wood Green Energy Co., Ltd.
11 August 2017	An Extraordinary General Meeting of the shareholders of Safe Energy Holdings Company Limited passed a resolution approving an increase in registered share capital from Baht 426 million to Baht 581 million for investment in Bina Puri Power (Thailand) Co., Ltd. and SAFE Biomass Co., Ltd.

ALP FPI PARTS PRIVATE LIMITED

31 August 2017	the Annual General Meeting of the shareholders of ALP FPI PARTS PRIVATE LIMITED passed a resolution increasing registered share capital from INR 200 million to INR 320 million.
----------------	--



Message from Chairman of Executive Committee and Managing Director



To Shareholders,

More than over 26 years since FPI founded, The Company has developed advanced manufacturing process continue. Since 2005, the company has developed technology to shift up the standard of production process from Replacement Equipment Manufacturer (REM) to Original Equipment Manufacturer (OEM) production standards. By use technology from Japan and Germany which is green technology, environmental friendly. The company's products are recognized by customers for more than 137 countries worldwide. The company has revenues from export more than 1,725 million Baht per year. It is also acceptable both to domestic and foreign car markets are

LAND ROVER, VOLVO, SUZUKI, TOYOTA, NISSAN, MAZDA, MITSUBISHI, Benz etc.

In last 2017, Fortune Parts Industry Public Company Limited has stride into the fifth 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.

Business Strategy Expansion into overseas markets, which will expand in 5 years, 5 countries. The company has plans to jointly invest to increase the production capacity of automotive parts both REM and OEM by investing in joint ventures. FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA. In Ecuador and invested in ALP FPI PARTS PRIVATE LIMITED in India. The factory is ready to produce and sell the finished goods.

Expanding Business to Invest in Environmentally Friendly Business, The Company invested by SAFE Energy Holdings Company Limited ("SAFE") as the joint venture which the Company holds 33.37 percent. Currently, the project has commenced the commercial operation since 27 June 2017. The Company shall acquire completely shares of Prize of Wood Green Energy Co., Ltd. and start to recognize the sharing of operating performance since 1 July 2017 onwards.

In financial terms, the Company issued of warrants, with maintaining dividends regularly. To maintain benefits and create more value for its shareholders and stakeholders on all sides.

In 2017, the Company was selected by the Stock Exchange of Thailand to The event is proud to received SET Awards 1017 for Thailand Sustainability Investment 2017 and the Rising Star Sustainability Award 2017 from the Stock Exchange of Thailand, and has been certified ISO50001 in the development of Thailand's energy management system to the international energy management system (ISO 50001 from the Department of Alternative Energy Development and Energy Conservation Ministry of Energy. The company has been awarded the Carbon Footprint for Organization (CFO), the Carbon Footprint Products (CFP) and the Carbon Footprint Reduction : CFR) from the Greenhouse Gas Management Organization.

These awards and accreditations are recognized internationally. This is a significant driving force for the Company's future corporate social responsibility.

In addition, the Company continues to focus on developing its capabilities and accelerating tangible results in areas such as the development of management systems. And work processes Technology and Innovation Knowledge creation within the organization. Human Resource Management And the development of human resources by the Company. The three main strategies are:

1. Creating a culture of sustainability. Sustainability is the key to sustainability in the context of change. Therefore, cultivating the Sense of Urgency within the organization is important.

2. Human Resource Development to Prepare We continually improve our employees' capabilities and capabilities so that they are consistent with our work in the changing context.

3. Application of IT for Corporate Sustainability to set up systems and develop tools for storing resources. It covers the entire organization that can support the decision support system for executives.

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.



Mr.Sompol Tanadumrongsak
Chairman of the Executive Committee



General Company Information

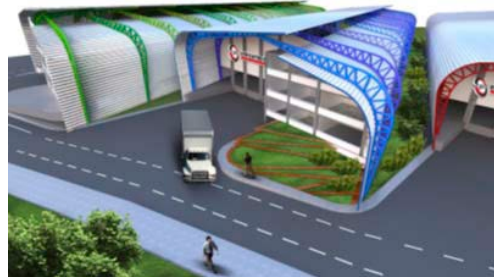


Company Name	:	Fortune Parts Industry Public Company Limited
SET Symbol	:	FPI
Registration No.	:	0107547000508 Head Office
Business Type	:	Designing product & making tooling for plastic automotive parts production which sells both Replacement Equipment Manufacturer (REM) and Original Equipment Manufacturer (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
Branch	:	99/10 Moo 20 Nimitmai Road, Lamlukka, Lamlukka, Pathumthani
Telephone	:	0-2993-4970-77
Facimile	:	0-2993-0602
Web Site	:	http://www.fpiautoparts.com
Registered Capital	:	THB378,659,541.75 with a par value of THB0.25
Paid-up Capital	:	THB317,004,239.75 common share with a par value of THB0.25
Company's Secretary	:	Khun Jaruwan Chatwichian Telephone :0-2993-4970-77 ext. 112 e-mail : sect@fpi.co.th e-mail : jaruwan@fpiautoparts.com
Investor Relation	:	 <ol style="list-style-type: none"> 1. Khun Sompol Tanadumrongsak Telephone 0-2993-4970-77 ext. 200 e-mail: ir@fpi.co.th 2. Khun Nussara Tanadumrongsak Telephone 0-2993-4970-77 ext. 100 e-mail: ir@fpi.co.th 3. Khun Jaruwan Chatwichian Telephone 0-2993-4970-77 ext. 112 e-mail: ir@fpi.co.th

Information of Joint Venture and Associate Companies

Joint Venture Companies

Company Name	:	FORTUNR-PARTS INDUSTRY ECUADOR CIA.LTDA.
Business Type	:	Designing product & making tooling for plastic automotive in South America
Head Office and Factory	:	S/N KM 7 1/2 PANAMERICANA, SECTOR SAMANGA, UNAMUNCHO, AMBATO, TUNGURAHUA, ECUADOR
Registered Capital	:	USD 500,000



Company Name	:	ALP FPI PARTS PRIVATE LIMITED
Business Type	:	Designing product & making tooling for plastic automotive in India
Head Office and Factory	:	25/31, East Patel Nagar, New Delhi 110008 in the State of NCT of Delhi
Registered Capital	:	INR320,000,000



Company Name	:	Safe Energy Holdings Company Limited
Business Type	:	Biomass Power Plant Project
Head Office	:	11/22 Moo 20 Nimitmai Road, Lam Lukka, Lam Lukka, Pathumthani
Registered Capital	:	THB581,000,000 with a par value of THB100





Others 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
Website	www.set.or.th



Auditor	EY Office Limited
Address	33rd Floor, Lake Rajada Office Complex, 193/136-137, Ratjadapisek Road, Klongtoey, Bangkok 10110 G.P.O.Box 1047, Bangkok 10110
Telephone	0-2264-9090
Facimile	0-2264-0789-90
Website	www.ey.com



Legal Advisor	Dej-Udom & Associates Ltd.
Address	942/142-3 Chan Issara Tower I, 9/FL., Rama IV Road, Bangkok 10500
Telephone	0-2233-0055, 0-2233-0068
Facimile	0-2236-6681
Website	www.dejudomlaw.com

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. Initially participated in auto parts expo "AMPA SHOW" in Taiwan and exported products to foreign countries.
2002	Moved factory from Lamlukka klong 7 to Lamlukka Klong 4 which usable area of 16,000 Sqm.
2004	Restructured its shareholders since Profortune Industry Company Limited sold its business and sold the Company's shares back to Tanadumrongsak family. Converted to public company limited and changed the name to "Fortune Parts Industry Public Company Limited".
2004-2005	Increased paid up capital to 200.00 million baht for business expansion as follow: <ul style="list-style-type: none"> - Built factory and warehouse on area of 14 rais 1 ngan 28 square wah, totally 25 rais 1 ngan 88 square wah for expanding all production processes. - Invested in automatic chrome plating line, which increased capacity from 13 million square decimeters per year to 49 million square decimeters per year. - Mold development and research by importing CNC machine (Computer Numerical Control) and EMD machine (Electrical Discharged Machine) from foreign countries for building large tools such as bumper and grill. Consequently, the Company was able to reduce its cost from import mold from foreign countries. - Increased another automatic painting line, total 2 lines, prepared for OEM customers, causing



	in an increase of painting capacity to 15.72 million square decimeters per year.
2009	<ul style="list-style-type: none"> - 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.
2010	<ul style="list-style-type: none"> - Built raw material warehouse area of 1,800 square meters. - Invested in 4 injection machines, total 20 injection machines which increased its capacity to 4,103 tons per year. - Built a painting line, total 3 lines, capacity was increased by 15.72 million square meters to 22.22 million square meters - Purchased nearby land area 20 rais 4 square wah prepared for automotive customers' demand and separated OEM and REM customers.
2011	<ul style="list-style-type: none"> - 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: <ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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 Day Trade in Stock Exchange of Thailand for <u>Market for Alternative Investment (MAI)</u> on September 20, 2012.
2013	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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

	<p>share 320 Million share to 1,280 Million ordinary share and paid-up capital 301 Million share to 1,202 Million share.</p> <ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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.
2016	<ul style="list-style-type: none"> - approved the decrease of registered capital by Baht 17,072,366.50 from the existing registered capital of Baht 395,731,908.25 to the new registered capital of Baht 378,659,541.75, by cancelling 68,289,466 outstanding and unsold ordinary shares that have been reserved for exercising the right for the Company's convertible debentures, at par value of Baht 0.25 per share. - Incorporated associates total 4 companies: Safe Energy Group (Narathiwat 1) Co., Ltd., Safe Energy Group (Narathiwat 1) Co., Ltd., Safe Energy Group (Yala 1) Co., Ltd., Safe Energy Group (Songkhla) Co.,Ltd. The Board of Directors Meeting No.8/2015 and 9/2015 resolved to approve FPI investment in associates 4 companies at 25, 20, 25, 25 respectively. - Signing MOU with Sriwattana Green Power Co.,Ltd. ("SGP"), Srijaroen Bio Power Co.,Ltd. ("SBP") and Prize of Wood Green Energy Co.,Ltd. ("Prize") for cooperation on feasibility study to invest in biomass power plant project of SGP, SBP. According to SGP and SBP operate the biomass power



plants in Burirum province with each installation capacity at 9.9 MW. And Prize will operate the biomass power plants in Narathiwat province with installation capacity at 7.5 MW.

- To dissolving these companies as the below details;
 1. Safe Energy Group (Narathiwat 1) Company Limited held by FPI 25.00%
 2. Safe Energy Group (Yala 1) Company Limited held by FPI 20.00%
 3. Safe Energy Group (Pattani) Company Limited held by FPI 25.00%
 4. Safe Energy Group (Songkhla) Company Limited held by FPI 25.00%

Due to these 4 joint venture companies could not pass the auction to acquire power purchase agreements (PPA) according to the regulation of purchasing the electricity from renewable power producer by competitive bidding at the first phase for the 3 southern border provinces and 4 districts of Songkhla province.

- Investments in ALP FPI PARTS PRIVATE LIMITED, a 45% stake with registered capital of Rs 200,000,000. India is based in India. To expand OEM production base, which is considered as a large market with high growth rate.
- Investment in auto painting line with robotic system.
- Improve the use of thermal energy from gas to biomass energy.

2017

Invest in the new associate company SAFE Energy Holdings Company Limited, that joint venture company will invest in biomass power plant. Incorporated and registration on 7 February 2017 with with registered capital of 1,000,000 Baht. The Company's interest in this company is 49.98% of the registered share capital.

On 13 February 2017, a meeting of the Company's Board of Directors

an investment in a biomass power plant project of Prize of Wood Green Energy Co., Ltd.

by having Safe Energy Holdings Company Limited purchase 99.99% of the registered share capital, representing an investment of not more than Baht 425 million.

On 13 March 2017, an Extraordinary General Meeting of the shareholders of Safe Energy Holdings Company Limited passed a resolution approving an increase in its registered share capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 426 million (4,260,000 ordinary shares of Baht 100 each), through the issuance of 4,250,000 additional ordinary shares with a par value of Baht 100 each for

purchasing ordinary shares of Prize of Wood Green Energy Co., Ltd. However, the Company waived its right to subscribe to some additional shares. As a result, the Company's shareholding decreased from 49.98% to 33.37%. During the year, the Company made share payments in proportion to its investment amounting to Baht 142 million.

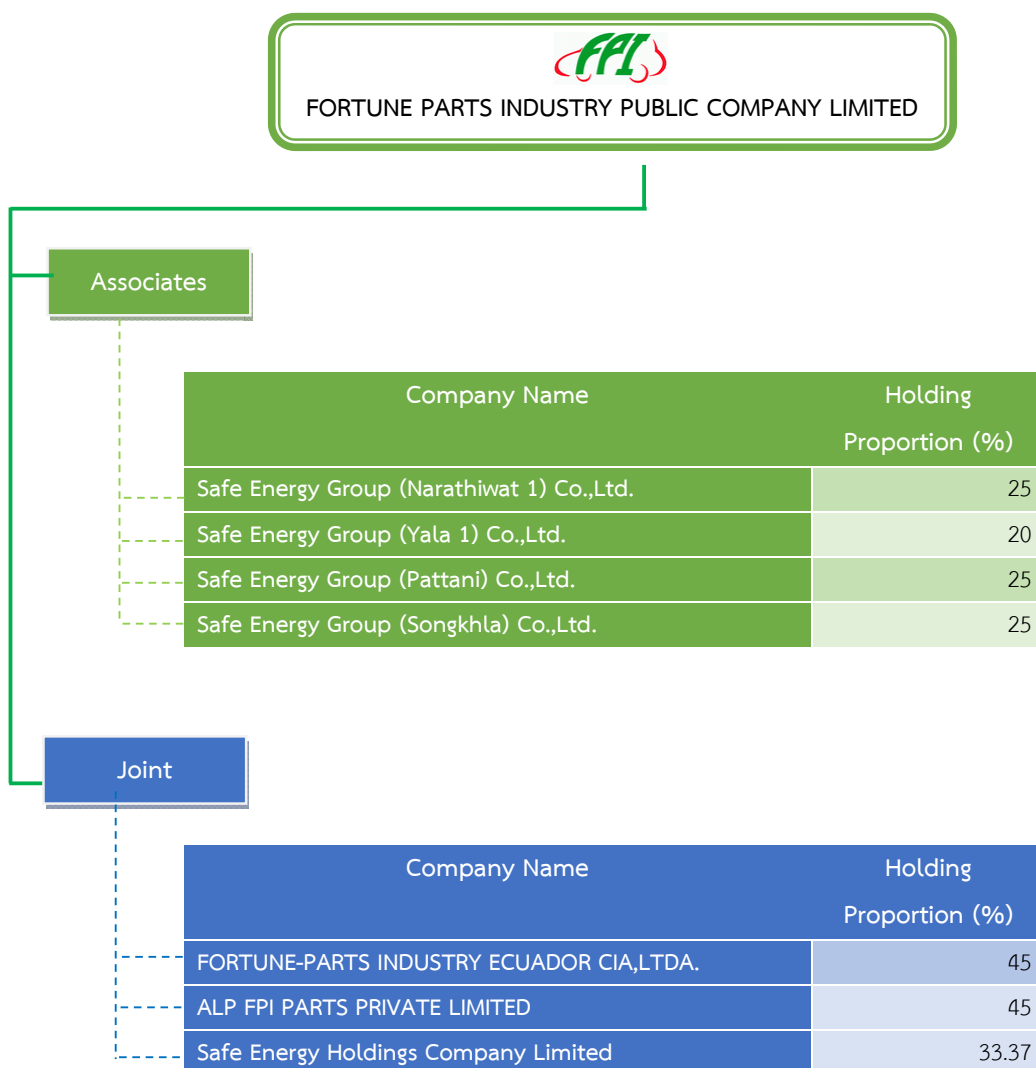
On 11 August 2017, an Extraordinary General Meeting of the shareholders of Safe Energy Holdings Company Limited passed a resolution approving an increase in its registered share capital from Baht 426 million (4,260,000 ordinary shares of Baht 100 each) to Baht 581 million (5,810,000 ordinary shares of Baht 100 each), through the issuance of 1,550,000 additional ordinary shares with a par value of Baht 100 each to existing shareholders for investment in Bina Puri Power (Thailand) Co., Ltd. and SAFE Biomass Co., Ltd. During the year, the Company made share payments amounting to Baht 52 million.

On 31 August 2017, the Annual General Meeting of the shareholders of ALP FPI PARTS PRIVATE LIMITED passed a resolution increasing its registered share capital from INR 200 million to INR 320 million, with the Company's shareholding structure remaining unchanged.

Acquired of land 6 rai total investment amount 35.65 million, the transfer ownership of 4 rai total amount 22.94 million to expand the production lines.



Business Structure of FPI Group



Board of Directors



1. **Mrs.Raweewan Mathong**
Director
Chairman of the Board
2. **Mr.Sangcharean Tanadumrongsak**
Vice Chairman
(Authorized Signature)
3. **Mr.Sompol Tanadumrongsak**
Director
Managing Director
Chairman of Executive Committee
Vice Chairman of the Risk Management Committee
Corporate Governance Committee
Investor Relation
(Authorized Signature)
4. **Mr.Yanyongchai Tanadumrongsak**
Director
(Authorized Signature)



5. **Mr.Somkit Tanadumrongsak**
Director
(Authorized Signature)
6. **Mrs. Nussara Tanadumrongsak**
Director
Risk Management Committee
Corporate Governance Committee
Investor Relation
(Authorized Signature)
7. **Ph.D.Naris Chaiyassot**
Independent Director
Chairman of Audit Committee
Chairman of the Nomination and Remunetation Committee
8. **Mr.Anant Gatepithaya**
Independent Director
Audit Committee
Nomination and Remunetation Committee
Chairman of Risk Management Committee
9. **Mr.Pumipat Sinacharoen**
Independent Director
Audit Committee
Nomination and Remunetation Committee
Corporate Governance Committee
10. **Mr.Suthanai Prasertsan**
Independent Director
Audit Committee
Chairman of the Corporate Governance Committee
11. **Mr.Annantachai Yoonprathom**
Independent Director
Audit Committee
Vice Chairman of the Corporate Governance Committee

Management Team and Company Secretary



- | | |
|---|---|
| <p>1. Mr.Sompol Tanadumrongsak
Managing Director
Chairman of the Executive Committee
Vice Chair man of the Risk Management Committee
Investor Relation</p> | <p>4. Mr.Thongchai Wiwong
Engineer Manager
Executive Committee
Risk Management Committee</p> |
| <p>2. Mrs.Nussara Tanadumrongsak
Deputy Managing Director
Executive Committee
Risk Management Committee
Corporate Governance Committee
Investor Relation</p> | <p>5. Mr.Sarayuht Ouybuan
Quality Development Manager
Executive Committee
Secretary of Risk Management Committee</p> |
| <p>3. Mr.Sungvien Meethong
Production Manager
Executive Committee
Risk Management Committee</p> | <p>6. Dr. Saruda Chitchuea
Human Resource Manager
Executive Committee
Risk Management Committee</p> |
| | <p>7. Miss Jaruwan Chatwichian
Finance & Account Manager
Executive Committee
Risk Management Committee
Investor Relation / Company Secretary</p> |



Detail of Directors and Management Team

1. Mrs. Raweewan Mathong Age 88 years

Chairman of the Board of Director

Date of Appointment : 26 November 1991

Education :-

- Nii-

Training :-

- Nii-



Directorship(s) in Listed Companies

Director	Fortune Parts Industry Public Company Limited
----------	---

Directorship(s) in Other Company

Director	Super Central Gas Co.,Ltd.
Director	SCG (Thailand) Co.,Ltd.
Director	Siam City Group Development Co., Ltd.
Director	SCG Industry Co.,Ltd.
Director	S.C.G Hathairat Co., Ltd.

Work Experience

1991 – Present	Director	Fortune Parts Industry Public Company Limited
1979 – Present	Director	Super Central Gas Co.,Ltd.
1987 – Present	Director	SCG (Thailand) Co.,Ltd.
1988 – Present	Director	Siam City Group Development Co., Ltd.
1994 – Present	Director	SCG Industry Co.,Ltd.
2011 – Present	Director	S.C.G Hathairat Co., Ltd.

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) :

43,384,000 shares (3.42%)

Family Relationship among Directors and Executives :

Spouse of Mr.Por Tanadumrongsak, Mother of Mr.Sangcharean Tanadumrongsak, Mr.Yanyongchai Tanadumrongsak, Mr.Somkit Tanadumrongsak and Mr.Sompol Tanadumrongsak

Illegal record in the last 10 years : Nil

2. Mr.Sangcharean Tanadumrongsak Age 62 years

Vice Chairman

(Authorized Signature)

Date of Appointment : 26 November 1991

Education

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

Traing Program

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



Directorship(s) in Listed Companies

Vice Chairman	Fortune Parts Industry Public Company Limited
---------------	---

Directorship(s) in Other Company

Director	Super Central Gas Co.,Ltd.
Director	SCG (Thailand) Co.,Ltd.
Director	Siam City Group Development Co., Ltd.

Work Experience

1991 – Present	Vice Chairman	Fortune Parts Industry Public Company Limited
1979 – Present	Director	Super Central Gas Co.,Ltd.
1987 – Present	Director	SCG (Thailand) Co.,Ltd.
1988 – Present	Director	Siam City Group Development Co., Ltd.
1994 – Present	Director	SCG Industry Co.,Ltd.
2011 – Present	Director	S.C.G Hathairat Co., Ltd.

Percentage of the company’s shareholding (Ordinary shares)(as at 31 December 2017) :

21,692,000 shares (1.71%)

Family Relationship among Directors and Executives :

Son of Mr.Por Tanadumrongsak and Mrs.Raweewan Mathong, Brother of Mr.Yanyongchai Tanadumrongsak, Mr.Somkit Tanadumrongsak and Mr.Sompol Tanadumrongsak

Illegal record in the last 10 years : Nil



3. Mr.Sompol Tanadumrongsak

Age 52 years

Director/ Managing Director/ Chairman of Executive Committee/
Vice Chairman of the Risk Management Committee/
Director of the Corporate Governance Committee/ Investor Relation
(Authorized Signature)

Date of Appointment : 26 November 1991

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
- Corporate Sustainability Advisory Program 2016
- CG Forum 1/2016
- "ESG for IR"
- Sustainability Reporting
- CSR-Management
- Innovation Management, NIA
- Traing for DRP,WMS Programe
- Positive thinking for life



Directorship(s) in Listed Companies

Director/ Managing Director/ Fortune Parts Industry Public Company Limited Chairman of Executive Committee/ Risk Management Committee/ Corporate Governance Committee/ Investor Relation	Fortune Parts Industry Public Company Limited
--	---

Directorship(s) in Other Company

Director	SCG Industry Co., Ltd.
Director	Siam City Group Development Co., Ltd.
Director	SCG (Thailand) Co., Ltd
Vice President	Thai Auto-Parts Manufacturers Association (TAPMA)
Director	S.C.G. Hathairat Co., Ltd.
Director	mai Association (mai A)

Work Experience

1993 – Present	Managing Director	Fortune Parts Industry Public Company Limited
1988 – Present	Director	SCG Industry Co., Ltd.
1994 – Present	Director	Siam City Group Development Co., Ltd.
1996 – Present	Director	SCG (Thailand) Co., Ltd
2009 – Present	Vice President	Thai Auto-Parts Manufacturers Association (TAPMA)
2011 – Present	Director	S.C.G Hathairat Co., Ltd.
2011 – 2021	Director	mai Association (mai A)

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) :

315,044,844 shares (24.83%)

Family Relationship among Directors and Executives :

Son of Mr.Por Tanadumrongsak and Mrs.Raweewan Mathong, Brother of Mr.Sangcharean Tanadumrongsak, Mr.Yanyongchai Tanadumrongsak, Mr.Somkit Tanadumrongsak

Illegal record in the last 10 years : Nil

**4. Mr. Yanyongchai Tanadumrongsak****Age 57 years**

Director

(Authorized Signature)

Date of Appointment : 26 November 1991

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

**Directorship(s) in Listed Companies**

Director	Fortune Parts Industry Public Company Limited
----------	---

Directorship(s) in Other Company

Director	Super Central Gas Co.,Ltd.
Director	SCG (Thailand) Co.,Ltd.
Director	Siam City Group Development Co., Ltd.
Vice President	SCG Industry Co.,Ltd.
Director	S.C.G. Hathairat Co., Ltd.

Work Experience

1991 – Present	Managing Director	Fortune Parts Industry Public Company Limited
1979 – Present	Director	Super Central Gas Co.,Ltd.
1987 – Present	Director	SCG (Thailand) Co.,Ltd.
1988 – Present	Director	SCG Industry Co.,Ltd.
1994 – Present	Vice President	Siam City Group Development Co., Ltd.
2011 – Present	Director	S.C.G Hathairat Co., Ltd.

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) :

96,768,000 shares (7.63%)

Family Relationship among Directors and Executives :

Son of Mr.Por Tanadumrongsak and Mr.Raweewan Mathong, Brother of Mr.Sangcharean Tanadumrongsak, Mr.Somkit Tanadumrongsak and Mr.Sompol Tanadumrongsak

Illegal record in the last 10 years : Nil

5. Mr.Somkit Tanadumrongsak

Age 55 years

Director

(Authorized Signature)

Date of Appointment : 26 November 1991

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)



Directorship(s) in Listed Companies

Director	Fortune Parts Industry Public Company Limited
----------	---

Directorship(s) in Other Company

Director	Super Central Gas Co.,Ltd.
Director	SCG (Thailand) Co.,Ltd.
Director	Siam City Group Development Co., Ltd.
Vice President	SCG Industry Co.,Ltd.
Director	K-Mart Service Co., Ltd.
Director	S.C.G. Hathairat Co., Ltd.

Work Experience

1991 – Present	Director	Fortune Parts Industry Public Company Limited
1979 – Present	Director	Super Central Gas Co.,Ltd.
1987 – Present	Director	SCG (Thailand) Co.,Ltd.
1988 – Present	Director	SCG Industry Co.,Ltd.
1994 – Present	Director	Siam City Group Development Co., Ltd.
2007 – Present	Director	K-Mart Service Co., Ltd.
2011 – Present	Director	S.C.G. Hathairat Co., Ltd.

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) :

86,768,000 shares (6.84%)

Family Relationship among Directors and Executives :

Son of Mr.Por Tanadumrongsak and Mrs.Raweevan Mathong, Brother of Mr.Sangcharean Tanadumrongsak, Mr.Yanyongchai Tanadumrongsak, Mr.Sompol Tanadumrongsak

Illegal record in the last 10 years : Nil

**5. Mrs.Nussara Tanadumrongsak****Age 49 years**

Deputy Managing Director/ Vice Chairman of Executive Committee/
 Risk Management Committee/
 Director of the Corporate Governance Committee/ Investor Relation

Date of Appointment : 1 September 1994

Education

- Bachelor of Arts, Songklanakarinn 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
- Corporate Sustainability Advisory Program 2016
- CG Forum 1/2016
- “ESG for IR”
- Sustainability Reporting
- CSR-Management
- Traing for DRP,WMS Programe
- Positive thinking for life
- Innovation Management, NIA
- “Capital Financing”

Directorship(s) in Listed Companies

Deputy Managing Director/ Vice Chairman of Executive Committee/ Director of the Risk Management Committee/ Director of the Corporate Governance Committee/ Investor Relation	Fortune Parts Industry Public Company Limited
--	---

Work Experience

1993 – Present	Deputy Managing Director/ Vice Chairman of Executive Committee/ Director of the Risk Management Committee/ Director of the Corporate Governance Committee/ Investor Relation	Fortune Parts Industry Public Company Limited
----------------	---	---

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) :

678,500 shares (0.05%)

Family Relationship among Directors and Executives : Spouse of Mr.Sompol Tanadumrongsak

Illegal record in the last 10 years : Nil

**7. Ph.D.Naris Chaayasoot****Age 63 Years**

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

Date of Appointment : 20 November 2012

Education

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

Scholarship and Honours

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

Training Program

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

**Directorship(s) in Listed Companies**

Independent Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	Fortune Parts Industry Public Company Limited
Chairman of Director	AP (Thailand) Public Co.,Ltd.
Independent Director/ Chairman of the Audit Committee	GMM Grammy PCL.

Directorship(s) in Other Company

Chairman of Director	RX Co.,Ltd.
Chairman of Director	Banpu Power PCL

Work Experience		
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
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
2010-2011	Director-General	The Treasury Department, 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

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) : Nil

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil

**8. Mr. Anant Gatepithaya****Age 67 years**

Independent Director, Director of the Audit Committee,
Chairman of the Risk Management Committee

Date of Appointment : 18 June 2004

Education :-

- M.M. (Management) Sasin Graduate Institute of Business Administration Chulalongkorn University
- M.B.A. (Management) Commerce Faculty of Commerce and Accountancy Thammasat University
- BA (Statistics) Commerce Faculty of Commerce and Accountancy Chulalongkorn University

**Training :-**

Thai Institute of Directors :

- National Director Conference 2016 : Enhancing Growth Through Governance in Family-Controlled Businesses
- RCL : Risk Management Program for Corporate Leaders รุ่นที่ 1/2015
- Course Seminar : Director Forum 2/2015 : Building better board through effective Independent Director
- Course Seminar C-Conference : "Thailand's 5th National Conference on Collective Action Against Corruption" Class 1/2014
- AACP : Advanced Audit Committee Program Class 17/2014
- RMP : Risk Management Committee Program class 1/2013
- Course Seminar : SE2 : "Risk Resilience: How the company's directors should deal with the issues of Enterprise Risk Management" Class 2/2013
- SE3 : CNBC Summit: Myanmar Class 3/2013
- Course Seminar : R-Forum : "Director Nomination Issues and Trend" Class 1/2013
- Course Seminar : DTT : Personal Financial Planning Workshop for Directors Class 1/2013
- Course Seminar : AGM : "Integrity Pact: Transparency Tool for Preventing Corruption" Class 1/2013
- Course Seminar : NDC : The 2nd National Director Conference 2013 "Board Leadership Evolution" Class 1/2013
- Course Seminar : DBT : "The Governance Role of the Board in the Preparation and Response to Unforeseen Crisis and the Oversight of (Foreign) Subsidiaries" Class 1/2013
- HRP : How to Develop a Risk Management class 2/2012
- QFR : Improving the Quality of Financial Reporting class 1/2006
- DAP : Director Accreditation Program class 7/2004
- ACP : Audit Committee Program class 2/2004
- DCP : Director's Certification Program class 17/2002

Directorship(s) in Listed Companies

Independent Director and Member of the Audit Committee	Raja Ferry Port Public Company Limited
Independent Director , Member of the Audit Committee, Member of the Nomination and Compensation committee and Chairman of The Risk Management Committee	Hydrotek Public Company Limited
Independent Director , Member of the Audit Committee Member of the Nomination and Compensation committee and Chairman of The Risk Management Committee	Fortune Parts Industry Public Company Limited
Independent Director, Chairman of the Audit Committee, Chairman of The Risk Management Committee	CMO Public Company Limited
Independent Director , Director of the Audit Committee and Chairman of The Risk Management Committee	Supalai Public Company Limited

Directorship(s) in Other Company

Independent Director and Member of the Audit Committee	Zeer Property Public Company Limited
Chairman	The Brilliant Solution Company Limited

Work Experience

2004 – Present	Independent Director , Member of the Audit Committee Member of the Nomination and Compensation committee and Chairman of The Risk Management Committee	Fortune Parts Industry Public Company Limited
2001 – Present	Independent Director , Director of the Audit Committee and Chairman of The Risk Management Committee	Supalai Public Company Limited
2007 – Present	Independent Director and Member of the Audit Committee	Raja Ferry Port Public Company Limited
2007 – Present	Independent Director , Member of the Audit Committee, Member of the Nomination and Compensation committee and Chairman of The Risk Management Committee	Hydrotek Public Company Limited
2003 – Present	Independent Director, Chairman of the Audit Committee, Chairman of The Risk Management Committee	CMO Public Company Limited

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) : Nil

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil



9. Mr.Pumipat Sinacharoen

Age 48 years

Independent Director, Director of the Audit Committee,

Director of Risk Management Committee/ Director of Corporate Governance Committee

Date of Appointment : 29 March 2005

Education :-

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

Traing Program

- Directorship(s) in Listed Companies

**Directorship(s) in Listed Companies**

Independent Director and Member of the Audit Committee / Director of Corporate Governance Committee	Fortune Parts Industry Public Company Limited
Executive Vice President	PTG Energy Public Company Limited

Directorship(s) in Other Company

Deputy Director of Human Resource	AP (Thailand) Public Company Limited
Assistant Director of Financial & Accounting	AP (Thailand) Public Company Limited
Investor Relation	AP (Thailand) Public Company Limited
Director	Liquor Distillery Organization Excise Department
Director	Secondary Mortgage Corporation

Work Experience

10/2017 – Present	Executive Vice President	PTG Energy Public Company Limited
2017 – Present	Director	Liquor Distillery Organization Excise Department
2017 – Present	Director	Secondary Mortgage Corporation
2013 – 09/2017	Deputy Director of Human Resource	AP (Thailand) PCL
2005 – Present	Independent Director/ Director of the Audit Committee/ Director of Risk Management Committee/ Director of Corporate Governance Committee	Fortune Parts Industry Public Company Limited
2009 – 2013	Assistant Director of Financial & Accounting	AP (Thailand) PCL

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) : Nil

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil

10. Mr. Suthanai Presertsan

Age 63 years

Independent Director, Director of the Audit Committee,

Chairman of the Risk Management Committee/

Chairman of the Corporate Governance Committee

Date of Appointment : 5 April 2017

Education

- Bachelor Major in Economic, Minor in Statistics Economic, Thammasat University
- Master Degree Management Information Systems (MIS)
Faculty of Science, Chulalongkorn University



Professional Diploma

- CISA Certified Information System Auditor of ISACA, USA
- CIA Certified Internal Auditor of The IIA, USA
- CCSA Certification in Control Self-Assessment of The IIA, USA
- (Present had to cancelled due to a period of 3 years before retirement, not available to do the CPE to maintain.)

Directorship(s) in Listed Companies

Independent Director/ Director of the Audit Committee/ Chairman of the Risk Management Committee/ Chairman of the Corporate Governance Committee	Fortune Parts Industry Public Company Limited
---	---

Work Experience

2017– Present	Independent Director/ Director of the Audit Committee/ Chairman of the Risk Management Committee/ Chairman of the Corporate Governance Committee	Fortune Parts Industry Public Company Limited
2014-2015	Acting Managing Director	EXIM Bank of Thailand
2013-2014	Deputy Managing Director	EXIM Bank of Thailand
2009-2013	Executive Vice President	EXIM Bank of Thailand

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) : Nil

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil

**10. Mr. Anantachai Yoonprathom****Age 49 years**

Independent Director, Director of the Audit Committee,
Vice Chairman of the Corporate Governance Committee
Date of Appointment : 5 April 2017

Education

- Master Degree in Mass Communication Research, Thammasart University

Experience

- Special Instructor for many universities, for example
- Bachelor-Master Degree Project, Faculty of Commerce and Accountancy, Thammasart University, Mini MBA Kasetsart University, Southeast Asia Study and Russia Study, Faculty of Liberal Arts, Thammasart University.
- Director of Strategic Planning Division, Education Development Section, The Education for Development Foundation (EDF) Thailand, dealing with a number of local and international education development projects for over 10 years
- Expert and Eminent Director, Good Corporate Governance and Corporate Social Responsibility Committee, Government Pharmaceutical Organization (GPO)
- Academic Director, Corporate Social Responsibility Institute (presently, Social Responsibility Center), The Stock Exchange of Thailand

**Directorship(s) in Listed Companies**

Independent Director/ Director of the Audit Committee/ Vice Chairman of the Corporate Governance Committee	Fortune Parts Industry Public Company Limited
--	---

Work Experience

2017– Present	Independent Director/ Director of the Audit Committee/ Vice Chairman of the Corporate Governance Committee	Fortune Parts Industry Public Company Limited
---------------	--	---

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) : Nil

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil

11. Mr.Sungvien Meethong

Age 52 years

Production Manager / Executive Committee/ Risk Management Committee/

Date of Appointment : 20 March 2008

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
- Corporate Sustainability Advisory Program 2016
- Company Snapshot
- Project Management for Happy Workplace
- Sustainability Reporting
- CSR-Management
- Traing for DRP,WMS Programe
- Positive thinking for life
- Innovation Management, NIA
- ISO5001:2011



Directorship(s) in Listed Companies

Production Manager/Executive Committee/ Risk Management Committee/	Fortune Parts Industry Public Company Limited
---	---

Work Experience

2008 – Present	Production Manager/ Executive Committee/ Risk Management Committee/	Fortune Parts Industry Public Company Limited
2006 – 2008	Production Manager	Takahashi Co.,Ltd.

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) : Nil

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil

**12. Mr.Sarayuht Ouybuan****Age 49 Years**

Executive Committee/ Quality Development Manager/

Secretary of Risk Management committee

Date of Appointment : 17 November 1997

Education

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

**Traing Program**

- Social Enterprise for Executive, Asian Institute of Technology
- 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
- Corporate Sustainability Advisory Program 2016
- Company Snapshot
- Project Management for Happy Workplace
- Sustainability Reporting
- CSR-Management
- Traing for DRP,WMS Programe
- Positive thinking for life
- Innovation Management, NIA
- ISO5001:2011

Directorship(s) in Listed Companies

Quality Development Manager /Executive Committee/
Secretary of Risk Management Committee

Fortune Parts Industry Public Company Limited

Work Experience

2008 – Present

Quality Development Manager /
Executive Committee/
Secretary of Risk Management Committee

Fortune Parts Industry Public Company Limited

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) :

243,000 shares (0.02%)

Family Relationship among Directors and Executives : Nil**Illegal record in the last 10 years :** Nil

13. Mr.Thongchai Wiwong

Age 45 Years

Executive Committee/ Engineering Manager/

Risk Management Committee

Date of Appointment : 4 October 2001

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
- Risk Management Strategy
- Corporate Sustainability Advisory Program 2016
- Sustainability Reporting
- CSR-Management
- Traing for DRP,WMS Programe
- Positive thinking for life
- Innovation Management, NIA
- ISO5001:2011

Directorship(s) in Listed Companies

Engineering Manager /Executive Committee/
Risk Management Committee

Fortune Parts Industry Public Company Limited

Work Experience

2001 – Present

Engineering Manager /Executive
Committee/
Risk Management Committee

Fortune Parts Industry Public Company Limited

Percentage of the company's shareholding (Ordinary shares)(as at 31 December2017) :

1,030,000 shares (0.08%)

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil



14. Dr. Ms.Saruda Chit Chuea

Age 45 years

Human Resource Manager / Executive Committee/

Risk Management Committee/

Date of Appointment : 8 June 2015

Education

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



Traing 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
- Corporate Sustainability Advisory Program 2016
- Company Snapshot
- Project Management for Happy Workplace
- Sustainability Reporting
- CSR-Management
- Traing for DRP,WMS Programe
- Positive thinking for life
- Innovation Management, NIA
- ISO5001:2011
- HR Mega Vision 2016
- Happy Work place

- Personnel Development Project for Renewable Energy Solar Course
- Incorporation of greenhouse gas data for sustainable development
- SD Forum-SDGS
- Implementation of the Carbon Footprint Program
- Update on wastewater laws and legal guidelines.
- Groundwater Assessments throughout the life cycle of the product.
- Water Footprint Evaluation
- Introduction to Corrosion
- Corporate Social Responsibility Specialized Personnel Management Corporate Social Responsibility
- Non-Financial Disclosure and GRI Training

Directorship(s) in Listed Companies

Human Resource Manager /Executive Committee/ Risk Management Committee	Fortune Parts Industry Public Company Limited
---	---

Work Experience

2008 – Present	Human Resource Manager/ Executive Committee/ Risk Management Committee	Fortune Parts Industry Public Company Limited
2014 – 2015	Deputy Managing Director	Progress Food Processing Co,ltd.
2013 – 2014	Factory Manager	Sirimanit Co ,Ltd. and Nara Factory Co,Ltd.

Percentage of the company's shareholding (Ordinary shares)(as at 31 December 2017) : Nil

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil

**15. Ms.Jaruwan Chatwichian****Age 51 years**

Finance & Account Manager / Executive Committee/

Risk Management Committee/ Investor Relation/ Company Secretary

Date of Appointment : 3 March 2003

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
- Corporate Sustainability Advisory Program 2016
- CG Forum 1/2016
- Sustainability Reporting
- CSR-Management
- Traing for DRP,WMS Programe
- Positive thinking for life
- Innovation Management, NIA
- ISO5001:2011
- “Capital Financing” TSI
- ESG for IR
- Class Action Law, SEC
- Prepare for changing financial reporting standards.
- Advanced Consolidated Financial Statements Action
- Technical Analysis and Risk Management To create value added sustainable business.
- Business Merger and Advanced Consolidated Financial Statements (Workshop)

Directorship(s) in Listed Companies

Finance & Account Manager /Executive Committee/ Risk Management Committee/ Investor Relation/ Company Secretary	Fortune Parts Industry Public Company Limited
---	---

Work Experience

2003 – Present	Finance & Account Manager / Executive Committee/ Risk Management Committee/ Investor Relation/ Company Secretary	Fortune Parts Industry Public Company Limited
----------------	--	---

Percentage of the company’s shareholding (Ordinary shares)(as at 31 December 2017) :

4,000 shares (0.00%)

Family Relationship among Directors and Executives : Nil

Illegal record in the last 10 years : Nil



Nature 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:



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 value 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.

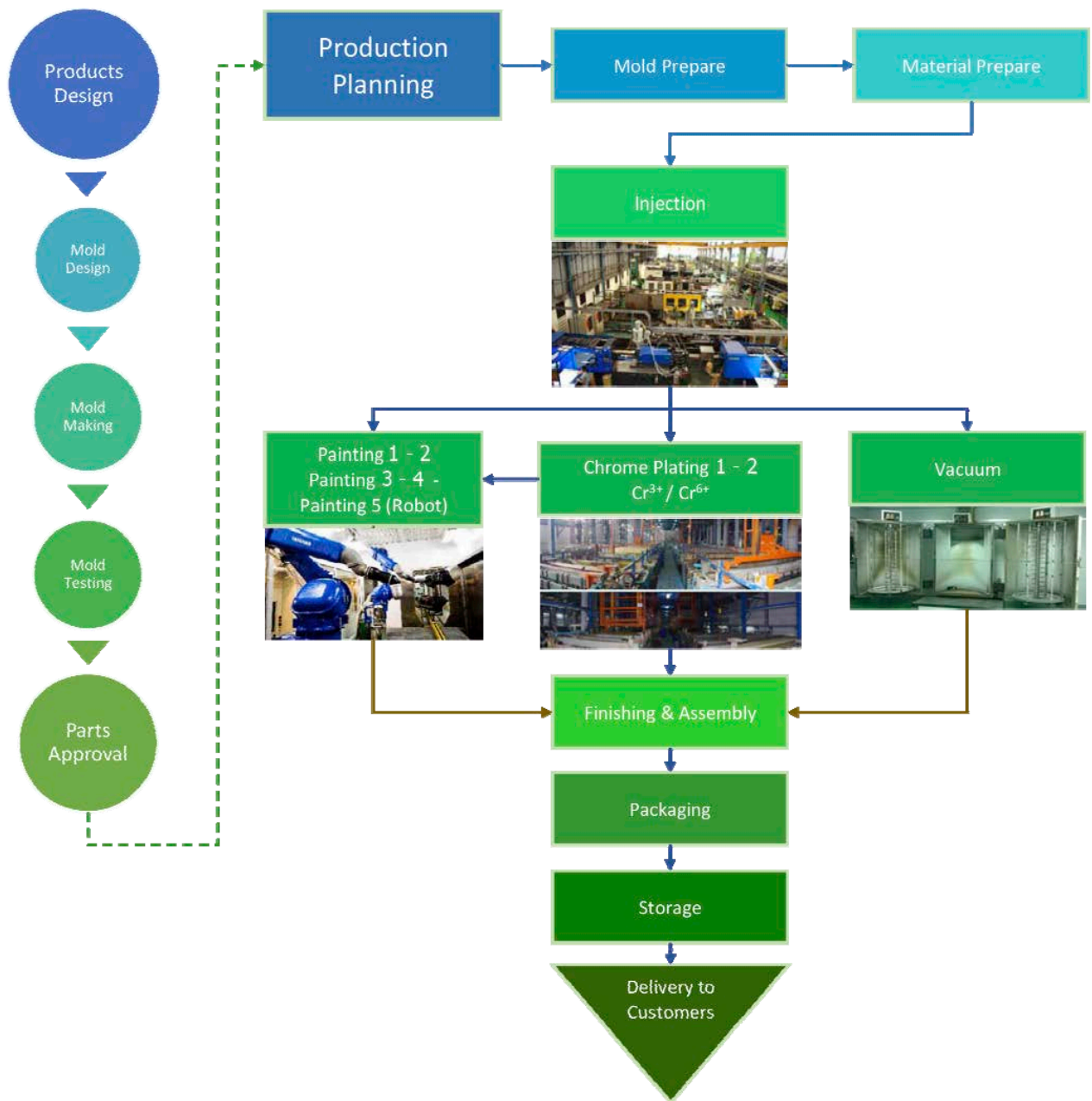
2.2 Spare parts for cars under OEM such as doors, hood, grille, headlights, taillights, bumpers etc.

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.

5. Assets Utilization such as rental injection mold.

Process diagrams





Revenue Structure

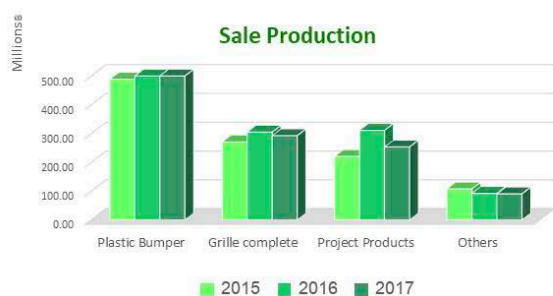
The revenue of the company for the years 2014-2016 are categorized by operation segment has four reportable segments as follows:

1. Domestic sales, which manufacture and domestic distribution of automotive parts and equipment.
2. Export sales, which manufacture and overseas distribution of automotive parts and equipment.
3. Services from plating and painting.
4. Other revenues consist of export compensation revenues, gain from exchange rate, interest income, gain from sales of molds, and sales of scrap.

Type of Revenue	Year 2015		Year 2016		Year 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Domestic sales	282.23	15.19	279.77	13.79	252.46	12.49
2. Export sales	1,535.11	82.65	1,703.39	83.96	1,724.64	85.30
3. Services	1.60	1.60	3.18	0.16	2.07	0.10
4. Other income	38.53	2.06	42.51	2.09	42.76	2.11
Total revenues	1,857.47	100.00	2,028.85	100.00	2,021.93	100.00

The revenue of the company for the years 2015-2017 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.

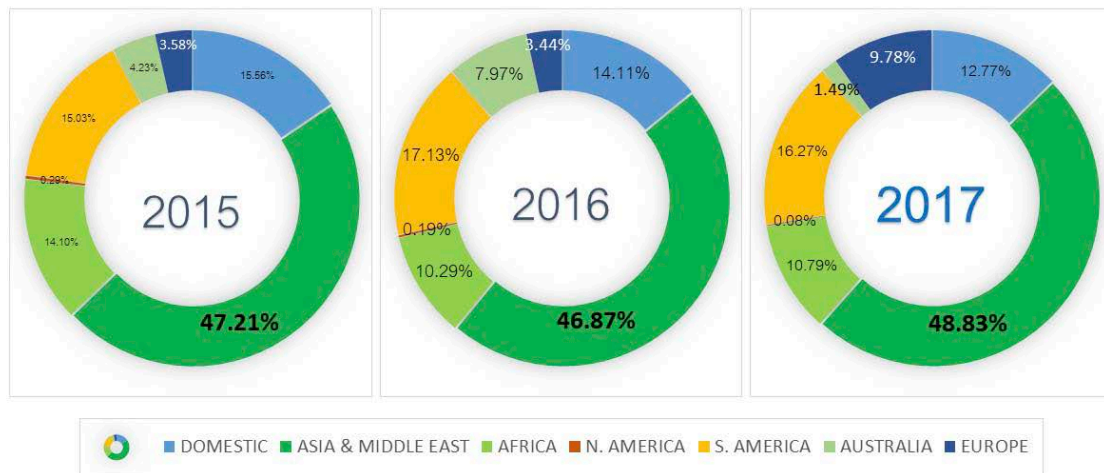


Revenue from FPI Products

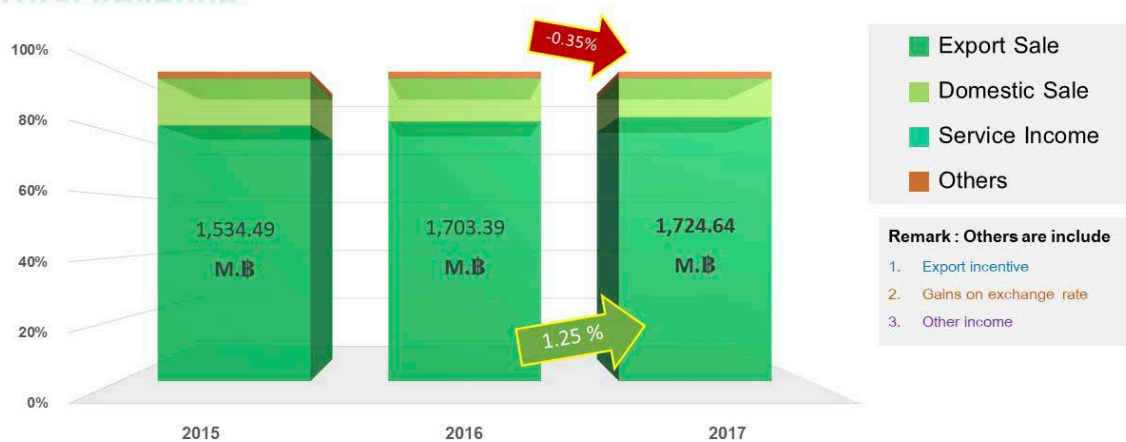


Revenues from Trading Products

CUSTOMER ZONE



Total Revenue

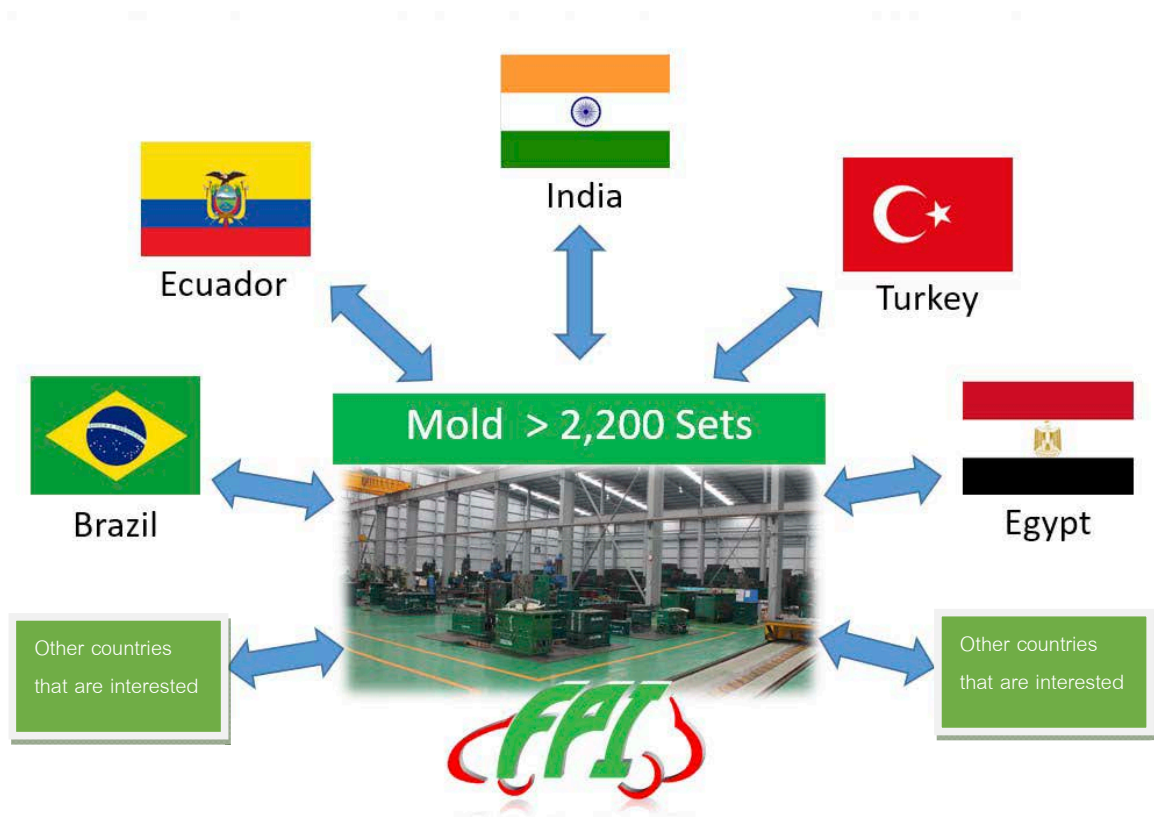




Future Plans

Fortune Parts Industry Public Company Limited is the leading of a plastic automotive parts manufacturer as well as a center for the distribution of automotive parts. And expand the business of environmentally friendly for sustainable growth. The action plan and management organization to achieve the goals of the organization has taken of the approach of the business since its establishment to present. "Giving The Most Innovative Value", Value innovation sustainability.

1. Focus on product development and innovative manufacturing automotive products integrated a friendly community, social and environment to the world class.
2. Focus on enterprise development into Trading Nation by providing goods and services from both local and regional. As the center of the distribution of goods and services to the global market.
3. Focus on the development of business integration. By expanding customer base and create business partner both of inbound and outbound.
4. Focus on the development a diversified investment model. By focusing on brand building business and investment in the business to sustainable return.
5. Develop a new business model by utilizing the assets that the company has to operate, to maximize the value added.



Company Investment Highlights:

1. Investment, development, design new products to the market, Asia, South America, Africa and Europe to support the expansion of Replacement Equipment Manufacturer (REM) and Original Equipment Manufacturer (OEM) automotive parts and to invest more than 150 million Baht which can generate and payback within 3 years.
2. The continued growth in international markets.
 - Investment in the joint venture of Fortune-Parts Industry Ecuador Cia,Ltda. for 45% of registered capital of USD 500,000 Representing and investment of USD225,000, located in Ecuador.
 - Investment in the joint venture of ALP FPI Parts Private Limited for 45% of registered capital of INR320 million. Representing and investment of INR 142.09 million, located in India.



3. Development of investments in other businesses.
 - Investment in biomass power plant project totaling at max capacity not exceed than 120 MW.

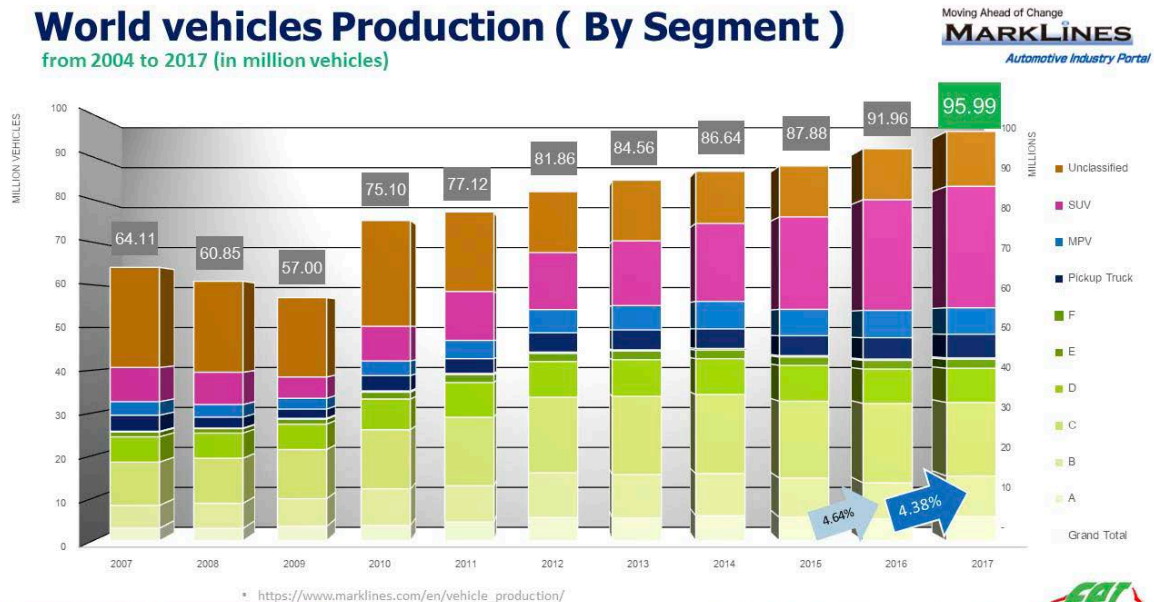




Industry Overview and Competition

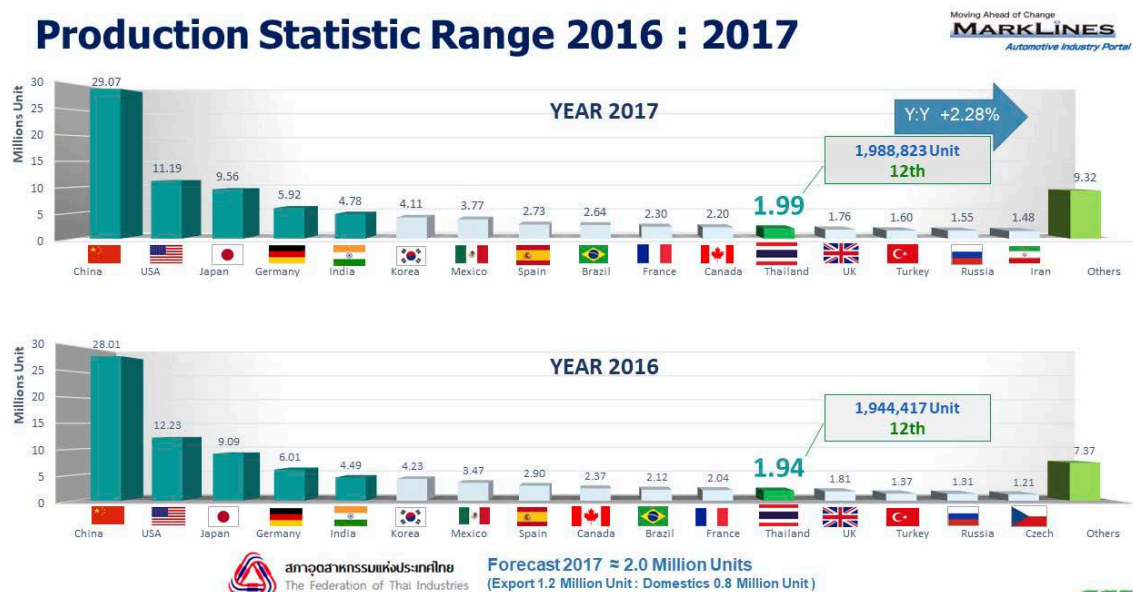
World vehicles Production (By Segment)

from 2004 to 2017 (in million vehicles)

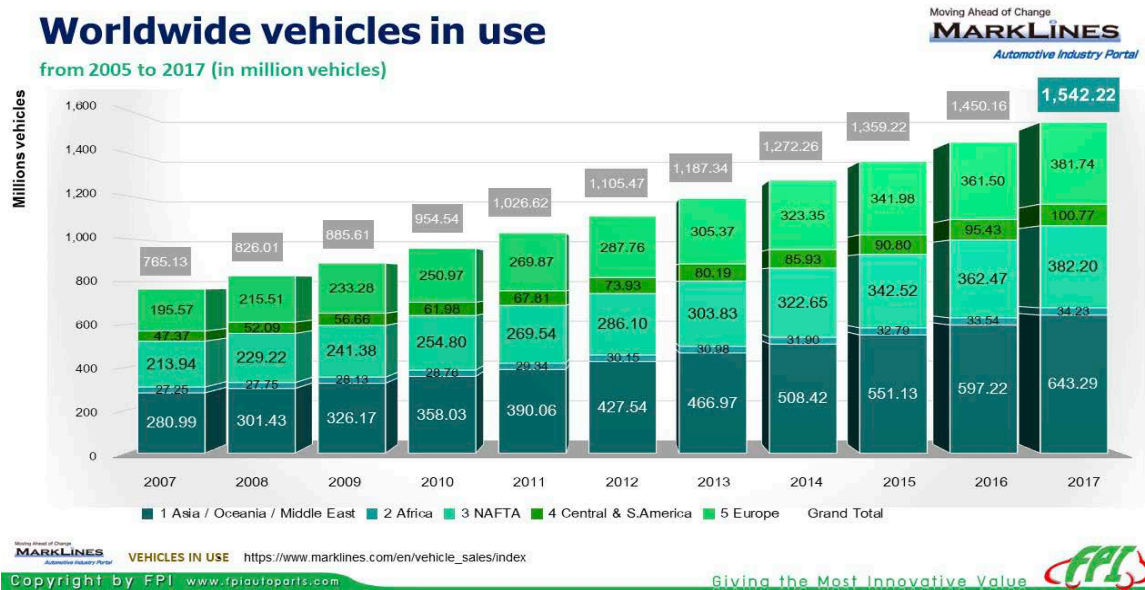


In 2017, the global production was 95.99 million units, divided into 42.88 million passenger cars, 40.21 million SUVs, pickups, SUVs, and commercial vehicles. Other 12.89 million units. Overall production increased 4.38% from the previous year.

Production Statistic Range 2016 : 2017



Production of Thailand's car production in 2017 had a production of 1,988,823 cars compared to the previous year. The production volume was 1,944,417 units, an increase of 2.28%.



The automotive parts industry for OEMs has a number of operators. As the automotive industry continues to grow. And the liberalization of the ASEAN Economic Community It will make free movement of automotive parts and labor in the ASEAN region. Competition will be more intense. Which auto parts makers can not adapt to this intense competition? However, the company has prepared for such liberalization. With a comprehensive line of plastic products. Since the design process of plastic injection molding chrome plated paint by 2017, the company has an automated production process. Which is modern And it can increase a lot of productivity, so the company is confident that it can compete with other operators.

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 2,200 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.



Management Discussion & Analysis

Executive Summary

In 2017 Fortune Parts Industry Public Company Limited had a net profit of 189.79 million Baht with earning per share (EPS) of 0.15 baht per share, decreased 33.93% from year 2016 with a net profit 287.27 million Baht or 0.24 baht per share.

Table : Performance Summary

	(Unit : Million Baht)		
	<u>Year 2016</u>	<u>Year 2017</u>	<u>YoY</u>
			<u>% + (-)</u>
<i>Sales and Service income</i>	1,986.34	1,979.16	-0.36
<i>EBITDA</i>	582.18	476.92	-18.08
<i>EBITDA Margin (%)</i>	29.39	23.60	-19.70
<i>Net profit</i>	287.27	189.79	-33.93
<i>Net Profit (Baht per share)</i>	0.24	0.19	-37.50

The revenue of the company for the years 2015-2017 are categorized by operation segment has four reportable segments as follows:

1. Domestic sales, which manufacture and domestic distribution of automotive parts and equipment.
2. Export sales, which manufacture and overseas distribution of automotive parts and equipment.
3. Services from plating and painting.
4. Other revenues consist of export compensation revenues, gain from exchange rate, interest income, gain from sales of molds, and sales of scrap.

<i>Type of Revenue</i>	Year 2015		Year 2016		Year 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<i>1. Domestic sales</i>	282.23	15.19	279.77	13.79	252.46	12.49
<i>2. Export sales</i>	1,535.11	82.65	1,703.39	83.96	1,724.64	85.30
<i>3. Services</i>	1.60	1.60	3.18	0.16	2.07	0.10
<i>4. Other income</i>	38.53	2.06	42.51	2.09	42.76	2.11
<i>Total revenues</i>	1,857.47	100.00	2,028.85	100.00	2,021.93	100.00

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

(Unit : Million Baht)

Separate financial statements

	<u>2017</u>	<u>2016</u>	<u>% Change</u>
<i>Sales and Service Income</i>	1,979.16	1,986.34	-0.36
<i>Cost of sales and Services</i>	1,525.25	1,449.23	+5.25
<i>Selling and Administrative Expenses</i>	244.45	197.78	+23.60
<i>Financial Cost</i>	30.80	34.60	-11.00
<i>Net Profit</i>	189.79	287.27	-33.93

(Unit : Million Baht)

Financial statements in which equity method is applied

	<u>2017</u>	<u>2016</u>	<u>% Change</u>
<i>Sales and Service Income</i>	1,979.16	1,986.34	-0.36
<i>Cost of sales and Services</i>	1,525.25	1,449.23	+5.25
<i>Selling and Administrative Expenses</i>	243.94	197.78	+23.34
<i>Share of profit (loss) from investments</i>	13.93	(1.60)	+969.14
<i>Financial Cost</i>	30.80	34.60	-10.98
<i>Net Profit</i>	204.23	285.67	-28.51

Total Revenues

In 2017 and 2016, total revenues of the Company decreased from Baht 2,028.85 million to Baht 2,021.93 million, decreased by Baht 6.92 million or 0.34%. Sales and Service Income amounted to Baht 1,979.16 million for 2017 decreased by Baht 7.18 million or 0.36% compared to the same period of previous year. The mainly reasons were the domestic sales decreased from OEM projects (Toyota) and export sales increased from Asia zone such as Saudi Arabia, India and Malaysia. Sales from Australia and New Zealand zone decreased and meanwhile Sales from Europe zone increased from movement sold to EGR Australia to EGR Europe as delivery country. Gross profit margin decreased 15.49% due to sold OEM project that high gross profit margin decrease, gross profit of Trading products decreased due to Baht strength.

Cost of sales and Services

In 2017 and 2016, total cost of sales and services of the Company increased from Baht 1,449.23 million to Baht 1,525.25 million, increased by Baht 76.02 million or 5.25% due to direct labor and production overhead increases.

Selling and Administrative Expenses

In 2017 and 2016, total selling and administrative expenses of the Company increased 23%, due to the Company increased in loss on exchange rate because of Baht strength 3.53%, allowance for diminution in value of inventories (reversal) increased 89.02% compared to the same period of previous year.



Financial Cost

In 2017 and 2016, total financial cost of the Company decreased from Baht 34.60 million to Baht 30.80 million, decreased by Baht 3.80 million or 11% due to financial cost and cheaper financing compared to the same period of previous year.

Net Profit

In 2017 and 2016, net profit of the Company decreased from Baht 287.27 million to Baht 189.79 million, decreased by Baht 97.48 million or 33.93% due to Baht strength 3.53%, increased from selling and administrative expenses, allowance for diminution in value of inventories (reversal) increased 89.02% compared to the same period of previous year.

For Share of profit (loss) from investments in associates and joint venture in 2017 total to Baht 13.93 million due to :

1. SAFE Energy Holdings Company Limited ("SAFE") as the joint venture which the Company holds 33.37 %. Currently, the project has commenced the commercial operation since quarterly 2/2017. SAFE invest in PWGE 99.99% the Company shall recognize the sharing of operating performance total Baht 15.56 million.

2. FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA. as the joint venture which the Company holds 45% the Company shall recognize the sharing of operating performance total Baht 0.093 million.

3. ALP FPI PARTS PRIVATE LIMITED. as the joint venture which the Company holds 45% the Company shall recognize the sharing of operating performance total loss amount Baht 1.73 million.

As a result of this, the share of profit (loss) from investments in associates and joint ventures in the year 2017 significantly changed.

Financial Position : Financial statements in which equity method is applied (in comparison to as at 31 December 2016)

Overall financial position of The Company as at 31 December 2017, compared to the statement of financial position as at 31 December 2016, increased from Baht 2,795.30 million to Baht 2,426.44 million, increased by Baht 368.86 million or 15.20% due to factors as summarized below ;

Total Assets

As at 31 December 2017, total assets was Baht 2,795.30 million, increased by Baht 368.86 million from the ended 31 December 2016 mainly due to cash and cash equivalents short term loan from financial institutions decreased due to the repayment of packing credit and short term loans- letter of credit that matured during the year, inventory increased from finished goods from steel bumper grille and lamp, Other non-current assets increased due to account receivable from fixed asset property, plant and equipment increased from investment injection mold, land investment to expand factory in the future and investment in joint venture of ALP FPI Parts Private Limited and Safe Energy Holdings Company Limited.

Total Liabilities

As at 31 December 2017, total liabilities was Baht 1,467.98 million, increased by Baht 128.40 million from the ended 31 December 2016, mainly from the accounts payable decreased due to the payment. Other current liabilities decreased due to deposit in advance payment for OEM and Long-term loans decreased from payment of trust receipts from import machinery at year end.

Shareholders' Equity

As at 31 December 2017, shareholders' equity was Baht 1,327.32 million increased by Baht 240.46 million from Baht 1,086.86 million as at 31 December 2016 mainly due to the net profit from operating for the period by Baht 204.23 million, dividend paid by Baht 197.01 million, shares to be issued from exercise of warrants increased by Baht 98.91 million and received advance from share subscription by Baht 233.77 million.





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. 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.



ABS. Plastic Material

PP. Plastic Material

Mitigation Measures:

The Company has closely monitored the changes in raw material prices in the world market by providing a dedicated team. Keep track of raw material prices, analysis of the trend of raw material prices over time, including the assessment of the company's raw material demand. In each period, the company can manage the procurement of raw materials efficiently. As a result, the company. The impact was not so great. Has a policy of not relying on a particular distributor. In the past, the company was not affected by the raw material supply. To reduce the impact factor beyond the control of the company. It has improved the production formula to accommodate a wider variety of materials.

2. Risk on the fluctuation of exchange rate

For the operation of the company. To achieve the objectives set out, the Company has set guidelines for the management of foreign exchange risk factors. This is due to fluctuations in exchange rates, which most of the revenues come from exports in foreign currencies. In US dollars At the same time, the company There are orders for machinery, raw materials, as well as goods purchased to resell parts from overseas. Most of them are in US dollars.

Mitigation Measures:

The company can reduce the risk of foreign exchange. It is considered a Natural Hedge. However, the Company realizes the importance of such hedging, therefore, the Company closely follows the news and exchange rate fluctuations. The Company will consider hedging by buying forward Contract. According to the situation and necessity. The policy of buying forex to cover foreign trade accounts receivable about 6 months to prevent fluctuation, thus, the company can manage exchange rate fluctuations very well.

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.

Mitigation Measures:

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)

Foreign investment Both from Japan, Korea, China, the US and Europe. Including new investments in major industries such as automobile parts, automobiles. Electronics parts To Indonesia, the Philippines, Vietnam and Myanmar, the impact on the domestic industry has been affected by exports to these countries. And there are competitors in these countries. And there are competitors in these countries to compete with the Thai market as well. As a result, Vietnam overtakes Thailand as the number one exporter of ASEAN this year. Price competition will be more severe as car manufacturers will try to find the lowest cost components. However, Thailand still has strengths in diesel engine production. The production base of a 1 ton pickup truck, including Eco Car.

Mitigation Measures:

The company has prepared for such liberalization. On the OEM market with integrated production lines. Both injection molding, plating and spray painting as well as design process. And can produce the mold itself. Including the ISO / TS16949 standard for the automotive industry. Including the ISO14001 environmental management system, OHSAS18001 occupational health and safety management system and ISO50001 energy management system, the company is confident that it will be trusted by the car manufacturer's customers. Or the brand owner continually for the REM market. Been in this industry for a long time. There are many molds. Especially pickup truck mold. Japanese car camp Because Thailand is the base for pickup trucks. Including customer insights in each region. And with good relationships, the company still has a lot of advantages.

5. Risk on Auto Parts Industry Competition

The automotive parts industry for OEMs has a number of operators. As the automotive industry continues to grow. And the liberalization of the ASEAN Economic Community It will make free movement of automotive parts and labor in the ASEAN region. Competition will be more intense. Which auto parts makers can not adapt to this intense competition? However, the company has prepared for such liberalization. With a comprehensive line of plastic products. Since the design process of plastic injection molding chrome plated paint by 2015, the company has an automated production



process. Which is modern And it can increase a lot of productivity, so the company is confident that it can compete with other manufacturers.

Mitigation Measures:

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 2,000 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.

Mitigation Measures:

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 5%-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 2017, 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.

Mitigation Measures:

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.

Mitigation Measures:

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. Investment Risk

To achieve the business growth target, investment to expand and maintain competitiveness of the Company is vital. To fulfill this goal, FPI has expanded its production base to new regions, where there is feedstock advantage, such as the biomass power plant project. FPI has also taken up new ventures, including its expansion into the green business.

FPI is consistently looking for investment opportunities. The successful investment will favor long-term growth. However, in the meantime, countless uncertainties may arise. These could be both risks and opportunities. FPI has put in place measures to ensure that the Company's investments achieve the target.

Mitigation Measures:

Investment is a business opportunity in which time is crucial in order to achieve benefit for FPI and lead to long-term growth. FPI has the following measures to manage investment risks.

To evaluate investment projects, FPI has implemented a Stage Gate process which covers opportunity seeking, feasibility study, and obtaining approval from the Board of Directors. In each step, Executives and experts in charge provide recommendations including its conformity to FPI's growth strategies, returns on investment in accordance with Company guidelines, and investment risk management.

Risks associated with overseas investment tend to be higher than in the domestic arena; around the end of 2017, in the target country, FPI's expert, who understands the local business context and market competition, will be FPI's representative to foster good relations with the local community government and related agencies.



FPI has further put in place an additional process, the scrutiny from the RMC, for the high capital investment projects. The RMC considers the sufficiency of risk assessment and risk management plan prior to proposing to the Board level. The RMC also regularly monitors the progress of risk management as demanded.

For the completed projects, there is process to collect the lessons learned as well as reasonable caution and will be shared across all related functions to ensure of success in future projects.

The aforementioned measures shall ensure that FPI will be able to manage investments effectively and achieve the long-term growth targets as planned.

10. Disruptive Technology Risk

Because Disruptive Technology Risk may bring about either opportunities or risk, FPI has kept a close eye on the development of innovations, such as digital technology, vehicles of the future, and renewable energy

Mitigation Measures:

Realize the importance of changing the way we do the business, seeking opportunity from digital technology by setup the Digital Transformation Function to study digitalization management in a sustainable manner. Study disruptive technologies that are pertinent to our business, such as digital technology, vehicles of the future, renewable energy, and green energy, serves as guidelines to produce products that respond to these technologies.

11. Climate Change Risk

Climate Change Risk with concern since the world has put a greater emphasis on climate change. The agreement made at the 21st session of the Conference of the Parties (COP21) may affect our business: The government may issue regulations that require our participation and compliance with the said agreement. This may lead to an increase in our production costs or physical events, such as floods and droughts, that may impact our production. The agreement may also affect consumer behavior, leading to more demand in eco-friendly products and technology. It may also be used as a trade barrier.

Mitigation Measures:

Implementing the International Energy Management System (ISO50001), the company has been certified the Carbon Footprint for Organization (CFO), Carbon Footprint Products (CFP) and Carbon Footprint Reduction (CFR).) from the Greenhouse Gas Management Organization to promote and reduce greenhouse gas emissions in the production process and partners.

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

As of 31 December 2017, the holdings of Tanadumrongsak's group accounted for 908,072,700 shares, which is 71.58% 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.

Mitigation Measures:

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 two executive directors and nine non-executive directors, including the Chairmen of the company's board of directors and five 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.



Shareholding Structure

1. The Number of Registered and Paid-up Capital

At December 31, 2017 company has registered capital of 378,659,541.75 Baht. It is divided into ordinary share 1,514,638,167 shares, registered share with paid-up 317,004,239.75 Baht which divided into ordinary share 1,268,016,959 shares, par value 0.25 Baht.

2. Shareholders Structure

Shareholding structure as of December 31, 2017 as follows:

	Major Shareholders	# shares	% Shares
1.	Tanadumrongsak Group	908,072,700	71.58
	Mr.Sompol Tanadumrongsak	315,044,844	24.83
	Ms.Atchara Tanadumrongsak	139,200,000	10.97
	Mr.Yanyongchai Tanadumrongsak	96,768,000	7.63
	Mr.Somkit Tanadumrongsak	86,768,000	6.84
	Ms.korcharath Tanadumrongsak	43,621,578	3.44
	Ms.Thanpicha Tanadumrongsak	43,621,578	3.44
	Mr.Por Tanadumrongsak	43,384,000	3.42
	Ms.Maleerat Tanadumrongsak	40,640,000	3.20
	Mrs.Lawan Tanadumrongsak	28,640,000	2.26
	Mr.Apirath Tanadumrongsak	21,913,700	1.73
	Mr.Sangcharean Tanadumrongsak	21,692,000	1.71
	Mr.Apsit Tanadumrongsak	21,692,000	1.71
	Mr.Itthi Tanadumrongsak	2,713,500	0.21
	Mr.Sangchai Tanadumrongsak	681,000	0.05
	Mrs.Nussara Tanadumrongsak	678,500	0.05
	Mr.Sangthavee Tanadumrongsak	455,000	0.04
	Ms.Oraphan Tanadumrongsak	150,000	0.01
	Mrs.Pranee Tanadumrongsak	145,000	0.01
	Mr.Anant Tanadumrongsak	141,900	0.01
	Mrs.Kedsara Tanadumrongsak	122,100	0.01
2.	Mr.Surapol Piyatheerathitivorakul	45,540,000	3.59
3.	Mrs.Raweewan Mathong	43,384,000	3.42
4.	Ms. Patsuda Wongves	17,297,175	1.36
5.	Mr.Thanasith Panyataranont	11,039,600	0.87
6.	Mr.Phisit Piphatwilaikul	8,700,000	0.69
7.	Thai NVDR Co., Ltd.	7,768,100	0.61
8.	Mr.Veera Wongchaemcharoen	7,620,000	0.59

9.	Ms.Jiranan	Areemitr	7,523,750	0.59
10.	Mr.Noppol	Muangsi	6,983,150	0.55
11.	Mr.Kittipot	Jongsuvanit	6,412,000	0.51
12.	CHASE NOMINEES LIMITED		6,367,500	0.50
13.	Mrs.Malee	Jongsuvanit	6,311,000	0.50
23	Others		185,545,384	14.64
	Shareholders			
Total			1,268,564,359	100.00

3. The Shareholders of the Company and the spouse

As at December 31, 2017 as follows:

Director Name/Spouse		2015	2016	2017	+/(-)
1	Mr.Sompol Tanadumrongsak	402,288,000	315,044,844	315,044,844	-
2	Mr.Somkit Tanadumrongsak	86,768,000	86,768,000	86,768,000	-
3	Mr.Yanyongchai Tanadumrongsak	86,768,000	86,768,000	96,768,000	+10,000,000
4	Mr.Por Tanadumrongsak	43,384,000	43,384,000	43,384,000	-
5	Mrs.Raweeewan Mathong	43,384,000	43,384,000	43,384,000	-
6	Mr.Sangcharean Tanadumrongsak	-	21,692,000	21,692,000	-
7	Mrs.Nussara Tanadumrongsak (Spouse)	622,800	622,800	678,500	+55,700
8	Ph.D.Naris Chaiyasoot	-	-	-	-
9	Mr.Anant Gatepithaya	-	-	-	-
10	Mr.Pumipat Sinacharoen	-	-	-	-
11	Mr.Suthanai Prasertsan	-	-	-	-
12	Mr.Anantachai Yoonprathom	-	-	-	-

4. Interests of the directors, either directly or indirectly in any contract during the year 2017.

-None-



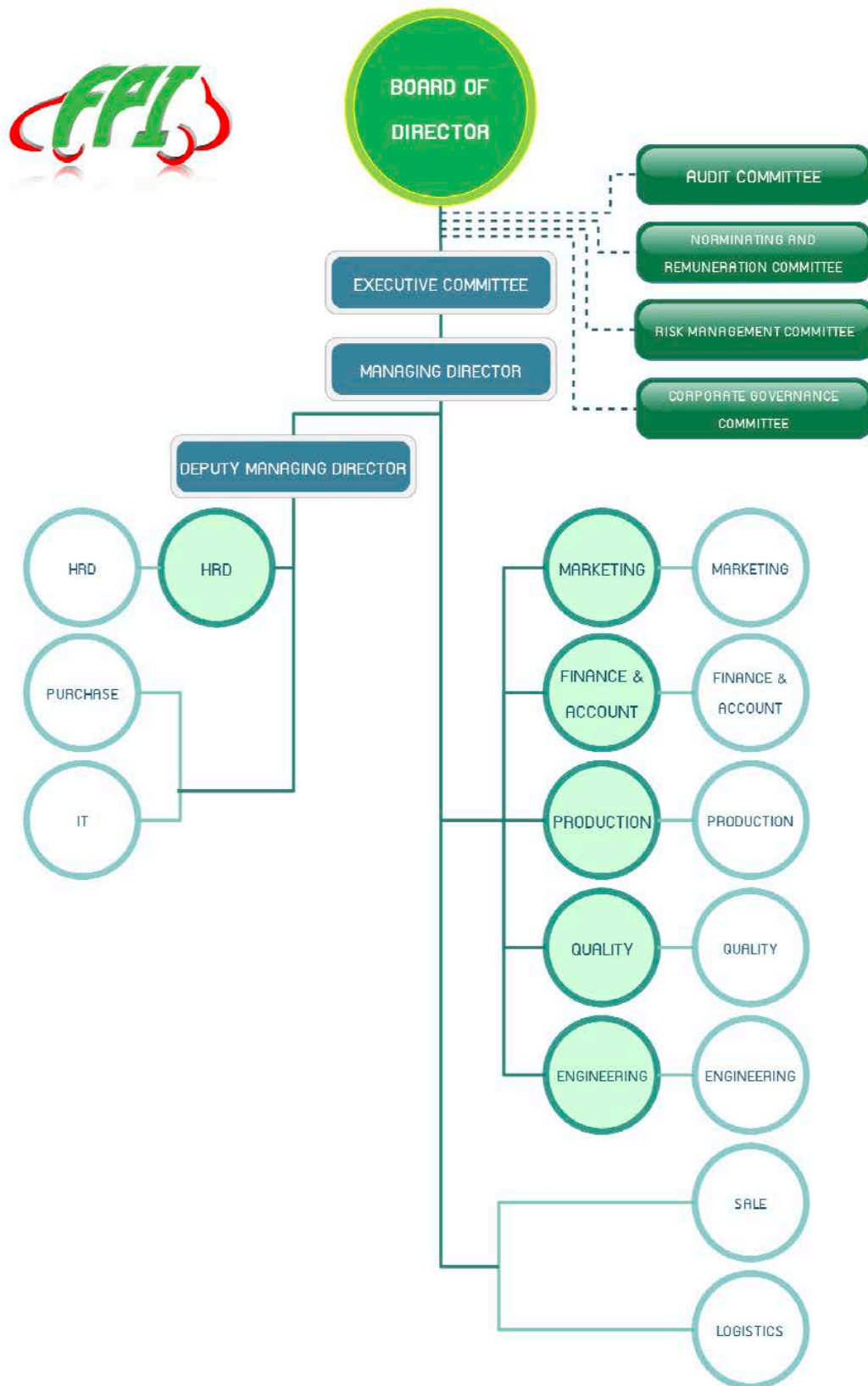
Dividend Payment Policy

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.

<i>Dividend Information</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
<i>Interim Dividend</i>	0.07	0.06	0.06
<i>Annual Dividend</i>	0.04	0.10	0.04
<i>Earning per share</i>	0.16	0.24	0.15
<i>Dividend Payout</i>	69.06%	67.89%	67.71%

Organization Chart





Organization Structure

The Company's management structure consists of the Board of Directors, There are six Sub-Committees, namely the Audit Committee, the Executive Committee, the Nominating and Remuneration Committee, the Risk Management Committee, the Anti-Corruption Committee and Corporate Governance Committee. All member of the board and management of the company are qualified under Section 68 of the Companies Act, 1991 and the Notification of the Capital Market Committee and details of the management structure of the company is as follows:

Board of Directors

The Board of Directors consists of 11 directors.

Name	Position
1. Mrs. Raweewan Mathong	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. Nussara Tanadumrongsak	Director
7. Mr. Naris Chaipasoot (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
10. Mr. Suthanai Prasertsan	Independent Director and Audit Committee
11. Mr. Anantachai Yoonprathom	Independent Director and Audit Committee

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

Directors Authorized to Sign and Bind for the Company

The name and number (s) of the authorized directors who may sign to bind the company are: Two directors of Mr.Sompol Tanadumrongsak or Mr.Sangcharean Tanadumrongsak or Mr. Somkit Tanadumrongsak or Mr. Yanyongchai Tanadumrongsak or Mrs.Nussara Tanadumrongsak can sign jointly and affix the Company's seal

Directors' Term on Board

At every annual ordinary meeting, one-third (1/3) of the directors shall retire from office. If the number is not a multiple of three, the number of directors closest to one-third (1/3) shall retire. The directors retiring from their office in the first and second year after registration shall be made by drawing lots. For subsequent years, the directors who have held office longest shall retire. The retiring directors may be re-elected.

Authorities and Responsibilities of the Board of Directors

The Board of Directors is tasked with overseeing FPI's operations and ensuring strict compliance with applicable laws, objectives, regulations, shareholder resolutions, principles of good corporate governance, and best practices for directors of listed companies set forth by the Stock Exchange of Thailand. Each Director possesses suitable knowledge, capability, and the understanding of their role while performing tasks for the benefit of FPI and its shareholders. Notable authorities and responsibilities of the Board are summarized below:

(1) The Board dedicates its time and attention to the vision, mission and strategic direction of FPI. Directors of the Board of Directors should freely express their opinions and actively seek out information that could be of use to FPI's interests and benefits.

(2) The Board reviews and approves strategies and important policies, as well as objectives, financial goals, budgets, investments, projects, business contracts, important agreements beyond the authority of the Chairman of Executive Committee, and FPI's plans. The Board reviews and revises FPI's plans, at least once a year. The Board also regularly supervises and monitors management to ensure their adherence to FPI's strategic plans, making sure that management is able to efficiently bring to bear the strategies, directions, and visions of FPI.

(3) The Board is in charge of devising Corporate Governance Policy and Business Code of Conduct, which comprises of principles and guidelines for the Board of Directors, management, and employees. Their aim is to promote awareness and understanding, to encourage strict adherence to these principles and guidelines, in addition to FPI rules and regulations, and to assure all stakeholders of fairness.

(4) The Board ensures that accounting system, financial reporting, and auditing are credible. In addition, the Board supervises the assessment of internal control's appropriateness and makes certain that internal audits are performed efficiently and effectively.

(5) The Board considers all relevant risk factors and devises comprehensive risk management plans. In extension, the Board sees to it that Executives are equipped with an efficient system or process to mitigate risks, as well as to explore possible business opportunities that may arise from these risks.

(6) The Board monitors and manages all conflicts of interest, as well as all related transactions, that may arise. The Board places great importance on key transactions with an aim to maximize benefits to shareholders and stakeholders.

(7) The Board provides appropriate channels of communication with shareholders. It's also tasked with making certain that any disclosure of information is accurate, transparent, and credible, as well as of the highest standards.

(8) The Board regularly conducts assessments and reviews of themselves, and of the Chairman of Executive Committee.



(9) The Board provides a system or mechanism that determines appropriate remuneration for FPI's Senior Executives, relative to the profitability of FPI's operations, to afford short-term and long-term incentives.

(10) The Board acts as leaders and role models in accordance with FPI's Corporate Governance Policy.

(11) The Board assesses FPI's adherence to the Corporate Governance Policy and Business Code of Conduct at least once a year.

(12) The Board provides an appropriate, transparent, and fair nomination system for all important managerial positions. FPI's Senior Executives, from Vice President to Chairman of Executive Committee, are appointed by the Board's majority votes.

(13) The Board reports to FPI of any conflicts of interest its Directors or their affiliates may have towards the management of FPI or its subsidiaries.

(14) Each Director must attend every Board meeting, as well as every shareholders meeting. If under any circumstances attendance cannot be fulfilled, the Chairman of the Board must be notified.

(15) Importance is placed on the business operations with responsibility towards society and the environment, as well as on promoting the well-being and sustainability of Thai society. This starts with improving living standards of communities around FPI's plants, fostering an environment where FPI's plants and these communities can co-exist.

(16) The Board provides support to all forms of anti-corruption schemes for the sake of progress and growth.

Moreover, the Board of Directors must obtain permission from Shareholders' meeting before acting on the following issues:

- Acquisition or sale of important assets or any related transaction as outlined by the laws and the Capital Market Supervisory Board
- Sale or transfer of FPI enterprises or its components to other entities
- Purchase or acquisition of enterprises on behalf of FPI
- Initiation, modification, or termination of all or some important lease contracts of FPI, including assignment of lease contracts to other individuals or entry into a partnership with another entity to share profit or loss
- Making addendums or changes to FPI's Memorandum or Articles of Association
- Increasing or decreasing the registered capital
- Issuance of debentures for sales to the public
- Dissolution of FPI or merging it with another company
- Announcing annual dividends

- Sundry other activities as mandated by laws or FPI's Articles of Association to seek approval from shareholders' meeting.

Appointment

The shareholders' meeting may vote to appoint Director(s) according to the following guidelines:

(1) A Shareholder has one vote per share.

(2) In the event that the number of nominees does not exceed the number of vacant positions during the nomination, shareholders will vote on those eligible nominees. Shareholders must allocate all of their votes to one nominee per (1), without dividing their votes.

(3) In the event that the number of nominees exceeds the number of vacant positions, shareholders will still have to allocate all of their votes to one nominee per (1), without dividing their votes. Nominees receiving the majority votes will be appointed to the Board until there are no vacancies left. Additionally, in the event that the number of nominees with equal votes exceeds the number of available positions, the Chairman of the meeting will cast the deciding vote.

The Board of Directors will nominate one Director as the Chairman of the Board of Directors. Decisions made during a Board meeting is based on majority votes, with the Chairman voting only when a deciding vote is needed. In the event that the Director's position becomes vacant for any reason other than the end of the term, the Board will nominate a new Director who is qualified and does not possess any attributes prohibited by laws. However, if the remaining term is less than two (2) months, the new Director will only serve the remaining term of the previous Director. This decision must be made with the agreement of three-quarters (3/4) of the remaining Directors.

In the event that vacancies cause the number of Directors to fall below the necessary quorum, the only authority the remaining Directors have is to call for a shareholders' meeting to nominate new Directors to fill these vacancies. This must be done within one (1) month from the date on which the number of Directors no longer constitutes the quorum. New Directors will serve the remaining terms of the Directors they replace.

Termination

1. In each Annual General Meeting, one-third (1/3) of the serving Directors is to step down. Should the number of serving Directors cannot be equally divided into three (3), the number of Directors stepping down should be as close to the aforementioned ratio of 1:3 as possible. Directors to step down in the first and second years after company registration are randomly selected; however, for later years, Directors with the longest terms are to step down. Directors whose term has ended may be re-elected to the Board.

2. In addition to the end of the term, the causes for Directorship termination include death, resignation, or disqualification due to the lack of ability or prohibition by laws. Additionally, Directors can be terminated by shareholders' meeting resolution or by court orders.



3. Resigning Directors must submit their resignation notice to FPI. Resignation is effective the day FPI receives the notice. In addition, Directors may also submit their resignation notice through the Registrar.

4. A shareholders' meeting may pass a resolution to force termination of a Director before his/her term ends with threefourth (3/4) of attending and eligible shareholders' votes. Additionally, these majority votes must constitute at least half (1/2) of the shares held by attending and eligible shareholders.

Independent Directors

According to FPI's principles of Corporate Governance, Independent Directors must make up of more than half of the entire Board of Directors. Each of them may hold the position for up to three consecutive terms or up to nine years. The term begins from the date of the 2017 Annual General Shareholders' Meeting onwards, not taking into account their previous terms. These Independent Directors must be experienced and fully qualified per the Capital Market Supervisory Board's requirements. Additionally, they must not hold more than 0.5% of shares in FPI (a stricter regulation than the SEC's limit of 1%). Qualifications of Independent Directors are disclosed in the Corporate Governance Handbook and FPI's website.

Independent Directors must attend meetings regularly. They are allowed to freely express their opinions during these meetings. To do so, they are entitled to have adequate access to financial and business information. They are also tasked with protecting stakeholders' interests and make sure to prevent conflicts of interest among FPI, its Executives, Board of Directors, and Major Shareholders.

Currently, FPI has a total of 5 Independent Directors, which is equal one-third of the entire Board and exceeds the legal requirements. In addition, this number is in line with FPI's Corporate Governance, which stipulates that more than half of the entire Board should be made up of Independent Directors. Moreover, the "Charter of Independent Directors" has been devised to ensure their clear and tangible performance. Duties and responsibilities of Independent Directors to the Board of Directors according to the Charter are as follows:

1. Independent Directors provide suggestions and opinions to the Board of Directors on important issues that FPI should act up on or issues of interests to FPI, its shareholders, and other stakeholders.
2. Independent Directors may seek consultation from an outside, independent consultant when necessary. FPI will absorb the expenses incurred.
3. Independent Directors ensure that FPI operates according to all rules and regulations that apply to Independent Directors of agencies that supervise listed companies. They also review the definition of an Independent Director to make sure that it is appropriate and complete according to legal requirements.
4. Independent Directors review and make adjustments to the Charter of Independent Directors in an effort to make it more appropriate and up to date.

5. Independent Directors may perform other duties assigned by the Board of Directors, as long as they do not interfere with the independent nature required of Independent Directors.

Audit Committee

The Audit Committee as of December 31, 2017 comprises 5 members as follow :

Name	Position
1. Mr. Naris Chaiyasoot (Ph,D)	Chairman of the Audit Committee (Independent Director)
2. Mr. Anant Gatepithaya*	Audit Committee (Independent Director)
3. Mr. Pumipat Sinacharoen*	Audit Committee (Independent Director)
4. Mr. Suthanai Prasertsan*	Audit Committee (Independent Director)
5. Mr. Anantachai Yoonprathom	Audit Committee (Independent Director)

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.

The Audit Committee is comprised of at least 3 Independent Directors. Each Director has a three-year term unless their directorship to the Board ends, or they resign or are removed from position. Each Director to the Audit Committee has qualifications, duties, and responsibilities in line with standards set forth by the Securities and Exchange Commission. Their scope of work is defined by the Capital Market Commission.

Additionally, the Board of Directors has given approval to the Charter of the Audit Committee, which identifies the composition, qualifications, term in the position, and scope of duties according to Good Corporate Governance Principles. Details of the Charter are disclosed in FPI's Corporate Governance Handbook and its website.

FPI's Audit Committee is comprised of all Independent Directors. The Board believes that they are held in high esteem and possess sufficient knowledge, expertise, and experience in finance and accounting. The Audit Committee's Directors have continuously undergone training to enhance their expertise for the benefit of ensuring that FPI has accountable financial and auditing reports, in line with accounting standards, as well as applicable laws and other related standards. The Audit Committee is also tasked with ensuring sufficient and efficient internal control and risk management systems, and reviewing internal processes regarding whistleblowers and receipt of complaints. Furthermore, the Audit Committee nominates candidates for independent auditors and submits a dismissal recommendation to the Board in the event that an independent auditor cannot or neglect or wrongfully perform their duties. Moreover, the Audit Committee ensures that FPI's internal auditing system is appropriate and efficient and that Internal Audit Department carry out all their responsibilities according to internal auditing standards. The Audit Committee also reviews reports of connected transaction, vested interests or conflicts of interest to make certain of compliance with applicable laws and the Stock Exchange of Thailand's regulations, affording FPI reasonableness, the utmost benefit, and full disclosure.



In 2017, the Audit Committee held a total of 4 meetings and 1 additional meeting with auditors, carrying out its role within the scope of duties and responsibilities as stated in the Audit Committee's Charter and as assigned to them by the Board of Directors. The Audit Committee also reports its monitoring results to the Board on a quarterly basis before further submitting a summary to shareholders in the annual report.

Authorities 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
 - (b) 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.

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. To perform any duties delegated by the Board of Directors.
2. To determine the company's short-term and long-term business strategies, with the consent of the Board of Directors.
3. To supervise and approve Company's normal business activities under the authorities that has been approved by the Board of Directors.
4. To approve the appointment of relevant advisors as necessary for the Company's business operation under the budget that has been approved by the Board of Directors each year.

The Executive Committee might delegate authorities to executives or any individuals to perform any particular matters as deemed appropriate by the Executive Committee. Any approvals or delegations of the Executive Committee must not fall in the category of connected transactions or transactions that might involve conflicts of interest or transactions in which the Executive Committee has any stakes as specified in the Company's regulations or the announcement of the Securities and Exchange Commission. All the approvals must comply with the Company's policy and authority regulated by the Board of Directors.

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”.

Brief Background of Corporate Secretary

Miss Jaruwan Chatwichian

Education

Bachelor of Accounting, Ramkhamhaeng University

Master of Business Administration in Finance, International Business, Eastern Asia University

Traing 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 Guildline (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)

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 is comprised of at least 3 Directors and more than half of Directors must be Independent Directors. The Chairman of the Nomination and Remuneration Committee must also be an Independent Director. Each Director has a three-year term unless their directorship to the Board ends, or they resign or are removed from position.

The responsibilities of the Nomination and Remuneration Committee included nomination of individuals to be considered for new Director, Sub-Committee, and Chief Executive Officer (CEO) positions. The nomination and remuneration processes must follow established guidelines and be transparent. Criteria include experience, profession, diversity in fields of expertise, and niche qualifications needed for FPI's businesses. These criteria aim to strike a balance among all business fields and the utmost benefit to FPI. In addition, the Nomination and Remuneration Committee may consider candidates from the Directors' Pool from trusted organizations and present nominees to the Board and/or the shareholders' meeting for appointment approval.

The Board of Directors has given approval to the Charter of the Nomination and Remuneration Committee, which identifies the composition, qualifications, term in the position, and scope of duties according to Good Corporate Governance Principles. Details of the Charter are disclosed in FPI's Corporate Governance Handbook and its website.

In 2017, the Nomination and Remuneration Committee held a total of 2 meetings, carrying out its role within the scope of duties and responsibilities as stated in the Nomination and Remuneration Committee's Charter and as assigned to them by the Board of Directors. The Nomination and Remuneration Committee also reports its performance to the Board before further submitting a summary to shareholders in the annual report.

Risk Management Committee

The Risk Management Committee is comprised of at least 3 Directors and at least 1 of Directors must be an Independent Director. Each Director has a three-year term unless their directorship to the Board ends, or they resign or are removed from position. The responsibilities of the Risk Management Committee included setting and reviewing appropriate and effective risk management policies, objectives, and frameworks that are relevant to FPI's overall operations. They also provide risk management plans, systems, and processes in an effort to reduce of FPI's exposure to various risks. In addition, the Risk Management Committee gives opinions and suggestions on organizational and investment risk mitigation. Its charter is reviewed annually to make sure of its suitability. The Risk



Management Committee also monitors and assesses FPI's compliance with the risk management framework to ensure that FPI has sufficient and suitable risk management.

In 2017, the Risk Management Committee held a total of 3 meetings, carrying out its role within the scope of duties and responsibilities as stated in the Risk Management Committee's Charter and as assigned to them by the Board of Directors. The Risk Management Committee also reports its performance to the Board on a quarterly basis before further submitting a summary to shareholders in the annual report.

The Board of Directors Meetings

In 2017, the Board of Directors, Sub-Committees, and Independent Directors held meetings as illustrated in the table. These meetings were pre-scheduled. Any Directors who could not attend these meetings due to important urgent matter had submitted written notice to the Chairman of the Board of Directors detailing the reasons. The Chairman informed the meeting of missing Director(s) prior to commencing every meeting.

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.

Corporate Governance Committee

The resolution of the board of director 2/2017 on 20 February 2017 appointed the Corporate Committee, there are 5 directors;

Name	Position
1. Mr. Suthanai Prasertsan	Chairman of the Corporate Committee
2. Mr. Anantachai Yoonprathom	Vice Chairman of the Corporate Committee
3. Mr. Pumipat Sinacharoen	Vice Chairman of the Corporate Committee
4. Mr. Sompol Tanadumrongsak	Director of the Corporate Committee
5. Mrs. Nussara Tanadumrongsak	Director of the Corporate Committee



Charter of the Corporate Governance Committee as follows:

1. Objectives

The Board of Directors has deemed it appropriate to prescribe a Corporate Governance 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 Corporate Governance Committee to fairly, appropriately and transparently act in accordance with the good corporate governance in order to create confidence and credibility of the Company in stakeholders.

2. Composition and Qualifications of Corporate Governance Committee Members

2.1 The Corporate Governance Committee must comprise at least a Director and more than half (1/2) of these Directors must be Independent Directors. The Chairman of each Sub-Committee must also be an Independent Director.

2.2 The Corporate Governance Committee serves a term of three years. A Corporate Governance Committee Member completing a term may be reappointed by the Board of Directors.

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

3. Scope of Duties

3.1 Determine directions and suggest policies or practices concerning business code of conduct and ethics in accordance with the good corporate governance system to the Board of the Directors and the management for use as standardized proper practices of the organization.

3.2 Govern, advise, evaluate and review policies and practices in accordance with the good corporate governance principles and business code of conduct in order to improve and enhance the corporate governance system of the Company to international standards.

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

4. Responsibilities

The Corporate Governance Committee is responsible directly to the Board of Directors in accordance with the duties and responsibilities assigned to them. Additionally, the Board of Directors is also responsible to third parties for the operation of the Company.

5. Meetings

5.1 The Corporate Governance Committee should meet at least once a quarter. Members of the management, Executives or relevant Employees of the Company or the auditor may be invited to participate in the meetings in order to opine, submit documents or information deemed relevant or necessary.

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

5.3 Corporate Governance Committee Members with connected transaction in any matter being reviewed must be excluded from the voting on that matter.

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

6. Reporting

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

7. Performance Evaluation

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

Management

The Management of December 31, 2017 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.Saryuht 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. To be responsible for the management, supervision and administration of the Company's daily operations, aswell as the monitoring of the overall business operations in order to align with the policies, business



strategies, objectives, execution plan, financial goals and budgets that have been approved of by the Board of Directors.

2. To prepare the business plan and financial budgets required for business operations and annual expense projection in order to propose to the Chief Executive Officer for approval. The Managing Director is also responsible for reporting the progress, with reference to the business plan and budgets allocated.
3. To determine the organizational structure, management approaches, selection of staff, training, hiring and termination processes, remuneration, compensation and bonus package for staff members.
4. To monitor and report the Company's status and propose appropriate alternatives and strategies that are coherent with the policy and market conditions.
5. To supervise and control different aspects of operations of the Company.
6. To act on the Company's behalf and serve as the delegate when in contact with the government agencies or other regulatory bodies.
7. To supervise communication with the general public, such as shareholders, clients, and staff members in order to strengthen the Company's reputation and positive image.
8. To ensure that corporate governance is being strictly practiced.
9. To assume any authorities, duties or responsibilities as assigned by or to any individuals to perform any particular tasks. Such delegations and/or assignments must fall within what has been stated in the power of attorney. However, such delegations or assignments to any individuals must not involve connected transactions or transactions that potentially involve conflicts of interest with the Company or its subsidiaries, or transactions in which any parties has any particular stakes, unless the transactions are according to the policies and criteria indicated by the Board of Directors.
10. 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.

The Chief Executive Officer is under obligation to perform the following:

1. Serve as Chairman at meetings of the company's Board of Directors.
2. Call the meeting of the company's Board of Directors.
3. Cast the deciding vote in cases where the meeting of the company's Board of Directors has voted and found the vote to be tied.
4. Serve as the Chairman at shareholders' meetings.

Report of the Nomination and Remuneration Committee



Dear Shareholders,

In 2017 the Nomination and Remuneration Committee comprises Mr. Ph.D. Naris Chaiyasoot, the chairman of the Committee, Mr. Anant Gatepithaya and Mr. Pumipat Sinacharoen. The Committee held a total of 2 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 2017 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 2017. 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 2017 as well as the Directors' bonus for the year 2016. 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 2017 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 2017

The Committee reviewed and adjusted all three assessment methods for the Board of Directors' performance in 2017, namely group assessment, individual self-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 2017 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.

On behalf of the Nomination and Remuneration
Committee

Ph.D. Naris Chaiyasoot
Chairman of the Nomination and Remuneration
Committee

Directors Compensation

In 2017, The Company has clearly specified compensation for 12 directors in remuneration and allowances total of 4,519,599.04 Baht and 3,310,000 Baht in 2016 and 3,628,000 Baht in 2015 as details belows:

(Unit : Baht)

Name	2015	2016	2017	No.Meeting (Time)
1*. Mr. Por Tanadumrongsak	306,000	270,000	270,000	6/8
2. Mr.Sangcharean Tanadumrongsak	306,000	270,000	270,000	6/6
3. Mr.Sompot Tanadumrongsak	306,000	270,000	270,000	13/13
4. Mr. Somkit Tanadumrongsak	306,000	270,000	270,000	8/8
5. Mr. Yanyongchai Tanadumrongsak	306,000	270,000	270,000	8/8
6. Mrs. Raweewan Mathong	306,000	270,000	270,000	8/8
7. Mr. Naris Chaiyasoot (Ph,D)	644,000	610,000	610,000	14/14
8. Mr. Anant Gatepithaya	584,000	550,000	550,000	17/17
9. Mr. Pumipat Sinacharoen	564,000	530,000	530,000	16/16
10. Mr.Suthanai Prasertsan	-	-	421,835.62	13/13
11. Mr.Anantachai Yoonprathom			406,835.62	13/13
12. Mrs.Nussara Tanadumrongsak	-	-	205,917.80	10/10
Total	3,628,000	3,310,000	4,519,589.04	

Remark : 1*. Mr.Por Tanadumrongsak, Chairman of the Board of Director had passed away on 3 September 2017.

According to the 2017 Annual General Meeting of Shareholders held on April 4, 2017 passed a resolution that the Remuneration the year 2017 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 committe 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 2017 will be paid based upon the business performance of the Company ended December 31, 2017 which not exceeding Baht 981,835.62. The Company will propose to make such payment in the year 2018 upon obtaining an approval of the Annual General Meeting of Shareholders for the year 2018.
- The Company held Board of Directors Meetings 8 times.
- Audit Committee Meetings 4 times.
- Norminating and Remuneration Committee Meeting 2 times.
- The Risk Management Committee Meeting 3 time.
- The Corporate Governance Committee Meeting 2 times.
- The Company has no other fee paid to the committee.



Management Compensation

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

(Unit : Thousand Baht)

Type of remuneration	2015		2016		2017	
	No.	Amount	No.	Amount	No.	Amount
Salary	7	14,261	7	15,121	7	16,199
Bonus	7	2,831	7	4,020	7	3,831
Other Compensation	7	4,635	7	4,968	7	5,372
- Providend Fund						
- Social Security						
- Employee Benefit						
Total	7	21,727	7	24,109	7	25,402

Employee Compensation and Return Characteristics

As at December 31, 2017, the Company are 845 persons (excluding executive 7 persons) divided to regular 348 persons and daily 497 persons as the following details :

Department	Regular (Person)	Daily (Person)	Total (Person)
Production	102	295	397
Engineering	74	15	89
Quality Development	53	121	174
Finance & Account	12	-	12
Management	3	-	3
Purchasing	5	-	5
MIS	9	-	9
Sale & Marketing	22	-	22
Logistics	38	64	102
Human Resource	30	2	32
Total	348	497	845

The Company has employees 845 persons, in year 2017 the company paid benefit to employees with 196.11 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 -





Human Resource Development Policy

The Company is aware that personnel is the asset that must be supervised and built to a higher value. To create a competitive advantage and sustainable economic strength. Specifically, the human capital building, which is a property that can add value to a tangible asset (Tangible Asset) The organization is required to set a framework for developing human resources at all levels, including knowledge, skills, attitudes, attitudes, and attitudes. Career Planning & Development, Coaching, Mentoring, Training Road Map, Performance Management System and Performance Management System. Knowledge Management:

Phrase

1

Year 2016-2017 Development of human resources management and development tools :

- 1) Review the management structure and power.
- 2) Review and update job descriptions in line with corporate policies and strategies.
- 3) Review Competency, KPIs and Skill Matrix.
- 4) Review Performance Management System.

Year 2016-2017 Employee Engagement :

- 1) Strengthen corporate culture in line with core values: TALENTS
- 2) Strengthen corporate culture in line with beliefs (Belief values): think good, speed good, do good.
- 3) Happy Organization 8
- 4) Raise the standard of information and communication technology services.

Phrase

2

Year 2018-2019 Development of human resources management and tools :

- 1) Review KPIs to align with organizational goals.
- 2) Review of Managerial Competency and Functional Competency
- 3) Review the individual development plan and training Road Map)
- 4) Review the structure of growth in career (Career Path).
- 5) Review Salary Structure
- 6) Review the succession planning system.

Phrase

3

Year 2020 development work work process And Talent Management as follows:

- 1) Create tools for Talent Management.
- 2) Create a tool for learning organization.
- 3) 3. Develop knowledge and knowledge management (Knowledge Management)

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE



Dear Shareholders,

The 5 members of the Corporate Governance Committee of 2017 are Mr.Suthanai Prasertsan (Chairman), Mr. Anantachai Yoonprathom (Vice Chairman), Mr.Pumipat Sinacharoen (Vice Chairman), Mr.Sompol Tanadumrongsak (Director) and Mrs.Nussara Tanadumrongsak (Director). The Committee has duly performed its duties set forth in FPI's Corporate Governance Committee Charter and executed the tasks mandated by the Board of Directors. The Committee held a total of 2 meetings. Below is a summary of the Committee's key developments:

1. Ensuring compliance with applicable laws, regulations and best practices

1. The Committee oversaw the preparation of the annual general shareholders' meeting (AGM) to ensure compliance with corporate governance (CG) principles and

best practices. As a result, FPI's AGM has been awarded a perfect score of 86 as very good ranking.

2. The Committee ensured that minority shareholders were given an opportunity to propose meeting agenda items and nominate persons to be elected as members of the Board of Directors more than 2 months in advance of the 2018 AGM date from 31 October 2017 to 31 December 2017.

3. The Committee has supervised compliance management processes to prevent violation of rules, regulations and laws that govern the FPI Group's businesses and to minimize risks that could arise as a result of such violation. The Committee also reviewed a summary of complaints submitted through the whistleblower system.

2. Securing compliance with Corporate Governance and Business Code of Conduct

1. The Committee approved the Corporate Governance and the Corporate Compliance Plans for 2017 in accordance with the Corporate Governance Code for listed companies 2017 (CG Code) of the Securities Exchange Commission and the ASEAN CG Scorecard, as well as FPI's strategies. The Committee also reviewed the previous year's performance.

2. The Committee reviewed the 2017 edition of the Corporate Governance and Business Code of Conduct Handbook to align its content with the CG Code.

3. The Committee reviewed the Corporate Governance report in the 2017 Annual Report and in Form 56-1 to ensure complete disclosure of information and compliance with good corporate governance guidelines at both domestic and international levels. As a result of this practice, FPI was once again named "Good" in the CGR.



4. The Committee gave advice on the review of FPI's anti-corruption measures and the preparation of applying for membership Collective Action Coalition Against Corruption (CAC).

3. Supervising sustainable-development processes

1. The Committee has given advice on FPI's sustainable-development processes according to international practices and the FPI's Sustainability Framework, ensuring that our processes were in line with future change in the trend's direction. The Committee also followed up on FPI's sustainability performance as well as supervised and has given suggestions on FPI's sustainability management.

2. The Committee continued to monitor and supervise FPI's concrete operational responsibility towards various groups of stakeholders in accordance with the CG principles through the examination of reports submitted by departments responsible and community visit. The Committee also gave its opinions and advice on operational matters for FPI's sustainable growth.

4. Performance, assessment and development

1. The Committee pre-set the dates for its meetings for the entire year, arranging at least two meeting per year. Ad-hoc meetings could also take place, should the need arise. In these meetings, the Committee considered and acknowledged FPI's performance and reports, as well as made recommendations to the Board of Directors and management.

2. The Committee oversaw the development of Directors in accordance with good corporate governance principles by ensuring the provision of continuous training for the Board. We also encouraged Directors to take various classes at the Thai Institute of Directors and

invited experts from outside our organization to give lectures to members of the Board.

3. The Committee reviewed and enhanced the 2017 Board Performance Assessment Questionnaire in accordance with present circumstances, the CG Code and other global standards.

4. The Committee reported its performance and the results of its 2017 individual and group performance assessments to the Board of Directors for their acknowledgement.

5. The Committee reviewed and updated its charter in accordance with FPI's current business context and the CG Code.

The Corporate Governance Committee has placed much importance on the role it plays in ensuring that FPI strictly adheres to Corporate Governance Policy and Business Code of Conduct. The Committee shall endeavor to unceasingly develop our corporate governance in reflection of international practices. The Committee believes that good corporate governance plays a major role in ensuring FPI's efficient operation and contributes to the sustainability of our business. We hope that our efforts will help FPI earn the confidence of our stakeholders, as well as domestic and global recognition.

On behalf of the Corporate Governance Committee

Mr.Suthanai Prasertsan

Chairman of the Corporate Governance Committee

Corporate Governance

The Board of Directors of Fortune Parts Industry Public Company Limited adheres to Good Corporate Governance and Business Code of Conduct, entrenching transparency and efficiency in our operations. This adherence brings about trust among shareholders, investors, and all groups of stakeholders. Moreover, it bolsters our competitiveness in the market. As a result, our Board of Directors ascertains a strict compliance with our 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. 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.

Good Corporate Governance and Business Code of Conduct

To bring about subjective Good Corporate Governance, the Board of Directors has issued a Corporate Governance and Business Code of Conduct Handbook. Its content covers a multitude of best practices and guidelines in accordance with the Corporate Governance Policy, which itself has been crafted from global practices. All levels of employees, including Directors and Executives, must adhere to the Policy. Implementation and effectiveness of the Policy according to the 2017 Good Corporate Governance Plan was monitored, evaluated, and compared with best practices of other listed companies and sundry international standards through regular Sub-Committee Meetings. Findings and beneficial suggestions are regularly reported to the Board and are disclosed to shareholders in the annual report.

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

FPI values and respects the rights of every shareholder, regardless of the proportion of shares they hold, their nationality, or whether they are an institutional or individual investor. In 2017 we carried out the following tasks with respect to shareholder rights:

1. We provided important and pertinent information in regard to our operations that is clear and up to date to shareholders. Regardless of whether it is required by law, if it deemed necessary, we will forthwith disclose those information on our website and via the Stock Exchange of Thailand's reporting system.

2. We held the 2017 Annual General Meeting of Shareholders on 4 April 2017, at 9.30 a.m. at the Emerald Hotel, Panorama Room 1, 14th Floor, No. 99/1, Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok Metropolis. We provided a complete range of facilities for participating shareholders; these are summarized below:

Prior to the Meeting

1. We provided opportunities for minority shareholders, any single shareholder or a group of shareholders holding at least 0.5% of all shares with eligible voting rights, to propose agenda items and nominate qualified candidates to be elected as Director prior to the meeting during the period from 31 October 2016 to 31 December 2016. Nomination criteria and procedures were announced via the Stock Exchange of Thailand's reporting system and on our website, www.fpiautoparts.com. In this manner, we demonstrated our respect for shareholder rights and exhibited equitable treatment to all of them. The Nomination and Remuneration Committee will consider qualified candidates to nominate per established criteria, while the Corporate Governance Committee reviews and analyzes proposed agenda items for their benefits and appropriateness as agenda items, the Corporate Governance Committee will further submit them to the Board of Directors to ascertain whether they should be included in the meeting agenda. The Board is obliged to inform the Annual General Meeting of Shareholders of its decisions and reasons regarding the proposed agenda items; however, no shareholders proposed any agenda items or nominated any candidate to be elected as Director in 2017.

2. To furnish all shareholders adequate and clear information, as well as to provide them with sufficient time to study it, FPI made announcement to the shareholders through the Stock Exchange of Thailand upon our Board of Directors' meeting held on 20 February 2017, resolved to convene the 2017 Annual General Meeting of Shareholders on 4 April

2017. Additionally, we notified shareholders of the record date, the date the registration book is closed to determine Shareholders' names, and dividend payment date being 8 March 2017 as announced on our website.

3. We published the invitation to the 2017 Annual General Meeting of Shareholders in Thai and English on our website for a period of more than 30 days prior to the meeting. Enclosed with the invitation were meeting documents, procedure for registration and assignment of proxy, and necessary documents required to attend the meeting as well as documents required to assign proxy which are convenient and simple, a map of the location of the meeting, and phone numbers for further information. Meeting agenda, objectives and rationale, opinions of the Board of each agenda, and other necessary information were enclosed as well. The invitation was mailed to shareholders 21 days prior to the meeting.

4. For the shareholders who could not attend the meeting themselves, they were allowed to assign an Independent Director who had no stake in the agenda, or any other individual, as their proxy. They could choose to use any of the proxy forms approved by the Ministry of Commerce, which was enclosed with the invitation, although we recommended the form that allowed them to direct their votes. Shareholders could download these proxy forms, available in Thai and English, on our website for their convenience. Additionally, FPI allowed shareholders to attend the meeting even after Chairman of the meeting had officially commenced the meeting. They could also vote on any agenda currently being discussed. These shareholders constituted the quorum from the moment they joined the meeting, the number of which was recorded in the minutes of the meeting.

At the Meeting

1. FPI held the 201 Annual General Meeting of Shareholders on 4 April 2017, at 9.30 a.m. at the Emerald Hotel, Panorama Room 1, 14th Floor, No. 99/1, Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok Metropolis. This location was chosen for its easily accessible location. The meeting room was able to accommodate a large number of attendees, allowing all participants to attend, ask questions, and express their opinions all in one place, rendering the meeting smooth and efficient. FPI also put on display an exhibition about our business and performance in front of the meeting room; staff members were available to give explanations and answer questions. Additionally, FPI also prepared food and drink for all attendees.

2. The meeting procedures were determined in compliance with legal requirements. Much thought went into the convenience, rights, and equality of all shareholders. The barcode registration system made the process quicker and more convenient. In addition, we made sure to provide a sufficient number of staff members and adequate technology to verify Shareholders' documents in advance. Registration began two hours prior to the meeting.

3. Out of 9 Directors, 8 attended the 2017 Annual General Meeting of Shareholders, including the Chairman of the Board of Directors and all Chairmen of all Sub-Committees, as well as high-ranking Executives, auditors, legal advisors, Thai Investors Association volunteers to protect shareholders' rights, lawyers, and shareholders who volunteered to witness the counting of votes. The Chairman of the Board chaired the meeting, introduced attendees, and announced the number of attendees (71 in total) and the number of shares eligible for voting at the 2017 Annual General Meeting of Shareholders. Voting and vote counting procedures were announced prior to the commencement of the meeting. The Chairman proceeded with all the agenda items in order; no other agenda were proposed than those already specified in the invitation. Voting cards-for, against, and abstain-were provided for every agenda. The Chairman allocated sufficient time for



every shareholder to express their opinions and ask questions regarding the agenda and FPI's performance. In addition, he assigned Sub-Committee Chairmen, as well as the Chief Executive Officer and related Executives to answer all the questions. Questions asked and opinions expressed were recorded thoroughly in the minutes of the meeting.

4. FPI shareholders have the right to elect and appoint new Directors to replace those who retired by rotation as per FPI's Articles of Association. They also have the right to consider and approve the Board's and Sub-Committees' remuneration. Sufficient information regarding each candidates and the remuneration were provided for shareholders' consideration. On top of the aforementioned, FPI also allows free communication among shareholders.

After the Meeting

1. FPI disclosed the resolutions passed during its 2017 Annual General Meeting of Shareholders through the Stock Exchange of Thailand's press release system on the next business day following the meeting. The disclosed resolutions included the complete set of for, against, and abstain votes of each agenda item. We also put together meeting minutes, specifying the names of Directors and Executives attending the meeting, as well as other related attendees, important explanations, Q and A list, and a summary of opinions expressed. The minutes were made in both Thai and English and submitted to the Stock Exchange of Thailand and other related agencies within 14 days following the meeting. They were also made available on www.fpiautoparts.com for shareholders' consideration.

In 2017, the Company's assessment outcome of the quality of the Annual General Shareholders' Meeting was "Very Good" (three stars) by Thai Investors Association.

2. Equitable Treatment of Shareholders

FPI is obligated to protect the rights and interests of all shareholders on a fairly basis, whether majority, minority, institutional, individual, Thai, or foreign. It is FPI's policy to treat all shareholders equally at shareholder meetings and in voting. Shareholders are also entitled to information on the operating performance and management policies in a regular and timely. FPI has developed methods to assure everyone of equal treatment, especially for minority shareholders.

1. FPI values all shareholders regardless of their gender, age, race, nationality, religion, belief, political stance, or handicap status. FPI regulates guidelines on Corporate Governance, equally and fairly protects the fundamental rights of shareholders, which builds confidence among investors, allows for efficient operations, and makes room for sustainable growth that continuously gives shareholders suitable return on investment. Furthermore, FPI ensures fair treatment towards stakeholders, using accepted modern monitoring tools.

2. FPI engages with all of its shareholders. Every minority shareholder may compose an email to the Chairman of the Corporate Governance Committee (Independent Director) or the Corporate Secretary at wan.winnie19@gmail.com. To give suggestions, express opinions, or file a complaint. The Corporate Governance Committee gives every email their consideration and sees to a suitable treatment. For instance, upon receiving a suggestion deemed beneficial to operations, the Committee presents it to the Board of Directors at a Board Meeting, and the Board considers whether to include it on the agenda of the upcoming General Meeting of Shareholders. As for institutional investors, they may request for information or express their opinions to our Investor Relations via ir@fpi.co.th. In the event shareholders would like to

assign a proxy to attend a meeting and vote on their behalf, they will find a proxy form that allows them to specify their for, against, and abstain votes towards each agenda item included in the meeting invitation, which is in both Thai and English. Names of Independent Directors, who are proxy options, and their biography details are also appended to the invitation for shareholders' consideration, along with a list of required documents and procedure for assigning proxy.

3. FPI advocates good relations with its shareholders: In 2017 we organized a variety of activities that not only beneficial to society and the environment but also fostered good relations with our shareholders. The right to partake in these activities was equally granted to all shareholders, regardless of their majority or minority status. One notable activity was Company Visit 2017 at FPI's office on 19 June 2017. FPI had another chance to meet its shareholders at "mai Forum 2017", "Roadway to mai 1 and 2", the preparation of SMEs to mai market. We organize these activities with our shareholders in mind and ready to disclose information transparently.

3. Stakeholders' Roles

In recognition of stakeholders' roles in augmenting our competitiveness and in increasing our profits and yielding long-term results, we have placed a great deal of importance on all groups of stakeholders-namely, shareholders, customers, suppliers, business competitors, creditors, the public sector, employees, society, communities, and the environment. We have compiled our policies and principles into written documents. In addition, we have provided several channels of communication to our shareholders, where they may send in opinions and suggestions that they believe will benefit FPI and create value added. Below is a summary of our policies and guidelines for stakeholders, as well as how they were implemented in 2017:

1. Shareholders: FPI encourages its shareholders to exercise their fundamental rights, which include the right to participate in the annual general meeting of shareholders, the right to vote, the right to propose an agenda item, and the right to nominate a candidate to be elected as Director. Moreover, FPI is committed to the utmost satisfaction of shareholders in regard to sustainable growth, FPI's value added, and steady suitable return. It also warrants that its operations comply with principles of good corporate governance. In addition to affording shareholders the rights aforementioned, FPI arranges Company Visit program every year. Furthermore, shareholders may reach out to the Company via www.fpiautoparts.com or by writing an email to ir@fpi.co.th; this information is disclosed under Shareholder Rights and Equitable Treatment toward Shareholders.

2. Customers: FPI is committed to public and customers to bring them utmost satisfaction and ensure trust for its reasonable priced and quality products and services and to continuously improve our standards. It is also committed to maintaining a good and sustainable relationship with customers. To become customers' best choice, we offers products and services that are innovative as it is FPI's obligation to maintain and improve quality of our products and services. To build trust and to yield the utmost satisfaction, we ensure our customers and public earn high-quality products and services for reasonable price through a fair, appropriate, transparent, and accountable management. We take responsibility towards our customers to whom we purchase and sold feedstock and products through a number of activities. Notable ones in 2016 include the following:



Striving for customer-centric marketing excellence: We strived for customer-centric marketing excellence in the following five categories: building values for customers, new product development, pricing strategy, distribution channel strategy, and human resource development.

Customer satisfaction survey: In 2017 the average satisfaction of 80.50% reflected the success of the relationship and responded to the needs of customers at a good level. We made adjustments to our customer satisfaction survey, aligning it with universal standards and rendering it more comparable to others' in the same industry. The improved survey now gauges six aspects: product quality, service quality of sales representatives and technical support, process quality, value and price, image, and business relationship. Its result reflects our success in fostering a good relationship with our customers, as well as our ability to meet their demands.

Fostering a good relationship with customers: We met with our customers regularly to hear their opinions and exchange information about the industry that could benefit their businesses. We also invited customers to the plants to experience our production and quality control processes first-hand. Moreover, we invited them to dinner parties, during which we expressed our gratitude towards them. We provided these customers with a system for receiving and managing complaints about our products and services. The channels for this included the website, email, and telephone. In addition, complaints could also be filed through our customer relationship management system (CRM). We put guidelines in place to mitigate and prevent future problems. We also monitored complaints regularly, as well as evaluated how they were dealt with. The results of the evaluation will be used to improve future business plans.

3. Suppliers: We take into consideration equality and honesty in conducting business. To ensure mutual benefits, we strictly adhere to applicable laws, agreement, and business code of conduct. We select and treat our suppliers fairly in accordance with our business code of conduct. We have put procurement regulations in place to assure that the process flows efficiently and smoothly with good and accountable control and is appropriate for the business transaction. Our practices demonstrate our responsibility towards our supplier, harmonizing mutual benefits to the both parties equally and transparently. We recognize our suppliers as our equals and strive for honesty in conducting business. To ensure mutual benefits, FPI strictly adheres to applicable laws, agreement, and business code of conduct through, development of products and services, warranty, full disclosure of information on products and services, complaint management system, customer satisfaction survey, organizing activities that promote good relationship with suppliers, and implementing business code of conduct for procurement team.

FPI refrains from accepting, or giving, fraudulent benefits from or to suppliers. The Corporate Governance and Business Code of Conduct Handbook and the Corporate Compliance Policy mandate that all employees must comply with the anti-corruption and anti-bribery law, whether in dealing with government officials or the private sector, both in Thailand and abroad. Any action that violates the aforementioned law is illegal and does not comply with the Corporate Governance Policy; all employees are to resist against and refrain from such an unlawful act. It is everyone's duty to perform their role with transparency for the sole benefit of FPI or our subsidiaries and affiliates, which prevents conflicts of interest. Additionally, all employees are to refrain from encouraging others to unlawfully perform or refrain from performing their duties legally. FPI sale and purchase contracts are executed in written form and FPI strictly abides by them. Additionally, FPI has regular meetings with suppliers to mutually improve work process and to find a solution in the event that FPI may be unable to perform its contractual obligations. FPI is dedicated to resolve issues when we cannot follow through with

the contract through meetings, where we determine the root cause and solution. The solution must be satisfactory to both parties. FPI sees to it that the problem is thoroughly solved and find ways to prevent it from reoccurring.

FPI has procedures and practices in selecting suppliers and contractors as well as anti-corruption measures. We also encourage all employees to follow these applicable laws and regulations.

4. Business Competitors: Our treatment towards competitors is aligned with international practices under the framework of competition laws. We also adhere to principles of fair competition. At FPI, we operate ethically and transparently. We compete fairly with our business competitors under the framework of good competition. We do not seek trade secrets of competitors through inappropriate or dishonest means. We do not defame competitors. FPI's policy on treatment towards competitors is aligned with international practices under the framework of competition laws and adheres to principles of fair competition. FPI held a lecture titled Corporate Compliance Series: Human Rights, Thai Product Liability Law.

5. Creditors: We adhere to the terms and conditions, with fairness, and takes responsibility for our creditors, including making due payments. We commit to equality and our responsibility towards our creditors. We strictly adhere to good practices, our contractual and financial obligations, especially, guarantee or security interest provisions, capital management, and debt repayment. We refrain from employing dishonest practices to conceal information or facts that may cause damage to creditors. In the event that FPI cannot perform any of its contractual obligations, we promptly notify our creditors in advance and work with them to find a solution.

All FPI's debentures have been issued in compliance with legal requirements and announcements of the Securities and Exchange Commission. FPI strictly follows policies, objectives, and resolutions of shareholder meetings. We fully disclose information to stakeholders and have measures to mitigate damage that may occur to stakeholders caused by our failure to follow through with regulations regarding debenture issuer rights and duties or conditions of loan agreement. The following are measures that have been put in place: FPI strictly complies with terms and conditions imposed by creditors in terms of payment and maintain good standing of collateral. FPI regularly discloses financial information to creditors. FPI duly makes payments. FPI refrains from fraud, bribery, and trading benefits for favour.

Furthermore, we focus on disclosure of information to stakeholders, emphasizing accuracy, completeness, speed, and transparency. The disclosed information includes both financial and non-financial matters. FPI has no lawsuit on default payment with any of our creditors.

6. The Public Sector: We believe that the Public Sector, who is one of the stakeholders, plays a key role in our business. We have devised best practices for the Public Sector in countries we have invested in to avoid inappropriate transactions. We procure feedstock and sell our products, whether in Thailand or other countries our investment located, under Good Corporate Governance Principles and Business Code of Conduct. We value stability and strict compliance with local laws and regulations. We take all stakeholders into consideration. As such we have established our stance on working and exchanging information with relevant governmental agencies both in Thailand and abroad. Every action is based on transparency and honesty, which prevents FPI and the nation from gaining bad reputations.



7. Employees: FPI is committed to becoming an organization of learning. We promote the FPI culture and encourage teamwork. We prioritize safety and maintain a suitable work environment. We favour development, as well as knowledge and expertise transfer. We give fair compensation to employees. We open to suggestions from all levels of employees without discrimination. We also promote and instill an organizational culture with a realization that every employee is vital to the success and sustainable growth of the Group. FPI adheres to Good Corporate Governance Principles and respects human rights. We have devised plans for human resource management that is in line with our operations. We have restructured our Science and Innovation Department to support our business unit and to better connect with foreign businesses. We have enlarged our business context in terms of size and diversity. We have prioritized recruiting personnel into groups vital to the success of our organizational strategies. We are prepared to recruit new talents replace retiring talents, while keeping in mind our expansion to foreign markets. There is a plan to expand our candidate base and to recruit and hire domestically and internationally through social media. There is also a plan to build a new network abroad that will help FPI marking recognition in the international labour market, which will extend our foreign database. FPI promotes happiness in work place, with good quality of living, safety, and occupational health. FPI has been dedicated to improving and enhancing our organizational and human resource management as it values human resource as a foundation to a robust and sustainable growth. More details can be found under People Management and Development Policy.

8. Society, Communities, and the Environment: FPI operates with a great deal of responsibility toward society, communities, and the environment, whether it be in terms of safety, quality of living, conservation of natural resources, or efficient energy consumption. As we value the quality of living of communities around our factory, as well as the entire country, we share a portion of our profits with these communities. In regard to minimizing environmental effects, we start from preconstruction stages, technologies used, production process, and waste management. We also research and develop innovations that promote efficient energy consumption. We conduct our business according to the Code of Conduct. Our mission is to integrate social responsibility and environmental concerns into our operations, which will result in sustainability. FPI is committed to improving the quality of life for people in society, which is the foundation for organizational development. We are also committed to environmental conservation, allowing society, communities, and FPI to grow together. The details can be found in the 2017 Sustainable Development Report. This integrated report serves as a framework for global reporting that covers economic, social, environmental, and other aspects that significantly impact FPI, on top of the financial report.

Communities and society: Throughout 2017 We made adjustments to render them more suitable to Thailand and our own CSR policy. Directors, Executives and staff members participated in a number of volunteering activities for the benefits of society, including communities around FPI's factory, schools, children, women, the elderly, the underprivileged, the handicapped, and many other groups.

The Environment: Because FPI strives for excellence in stability, safety, occupational health, the environment, and taking responsibility towards surrounding communities, we laid down the Quality, Safety, Occupational Health, Environment, and Business Continuity (QSHEB) Policy. The system and guidelines, put in place as a result of this policy, strictly comply with environmental standards, regulations, and laws. ISO 14001 environmental management system serves as the preliminary standard in our operations; it is implemented alongside other universal best practices. FPI's proactive environmental management complements our long-term operation plans. Much importance is placed on minimizing environmental impact by means of control and prevention from the design stage of a project. FPI strictly adheres to comply with

prevention and mitigation measures, as well as reports the result of its compliance to these measures to governmental agencies continuously and regularly. The details can be found in Safety, Occupational Health, and Environmental Management.

Anti-Corruption Campaign

FPI operates with a great deal of emphasis on Good Corporate Governance and Business Code of Conduct; therefore, our business is transparent and accountable. Processes are put in place to control, monitor, reduce, and prevent against the risk of fraud and corruption within the organization, whether it be direct or indirect. On top of the Corporate Governance Policy, we also laid down in written form the Anti-Corruption, and Anti- Bribery Policy. Furthermore, FPI is a member the Collective Action Coalition (CAC) against Corruption. Our actions in the past year that illustrate our dedication to the fight against corruption and our readiness for the recertification conducted by the IOD every three years as well as the annual assessment mandated by the Audit Committee are summarized below:

FPI conducted a fraud risk assessment (FRA) to analyze and assess risk of the likelihood of fraud, as well as the possible effects of fraud in processes and procedures within the organization. The tools employed for conducting risk assessment were based on the Enterprise Risk Management (ERM) The analysis was then used to devise measures for internal control and internal audit of fraud and corruption. The result of this assessment is utilized for monitoring, controlling, and reducing fraud opportunity within the organization.

FPI's relevant departments reviewed the existing anti-corruption measures and assessment on our processes and procedures for completeness and being up-to-date since these measures and assessment needed to cope with the ever-changing events and risks. The result of the review was reported to the Corporate Governance Committee, the Audit Committee, and the Board of Directors, respectively.

We improved our whistleblower system by adding more channels for filing complaints. We also put a system in place to manage complaints more efficiently and CAC.

We promoted, communicated, created awareness and understanding on the best practices to employees to recognize the importance of the fight against corruption. Activities under FPI Active Citizen scheme were organized for Executives and staff members. One of the activities includes the lecture session by an external expert. The lecture described the concept, meaning and different forms of corruption. It also sought to instill moral conscious and ethics, according to the CG principles and Anti-Corruption Policy. Included were cases study; roles and responsibilities of Executives and staff members in the fight against corruption; compliance with laws, regulations, and policies; culture and tradition; conflicts of interest; and bribery. In addition, FPI put together exhibitions and recreational activities that communicated to employees about our anti-corruption stance, Code of Conduct, Corporate Compliance Policy, as well as Anti-Corruption and Whistleblower Policies. we communicated to our suppliers our anti-corruption stance, as well as our policy on refraining from accepting gifts and other special benefits in hope that similar guidelines and practices be adopted.



Notifying the Information and Complaints

FPI has set a policy for all stakeholders to report or notify directly to the chairman of the Audit Committee about wrongdoings, violations of rights, violations of Code of Conduct, incorrect financial reports or internal control systems of the Company. Investigations will be conducted and the findings will be reported for decision of next steps. FPI's whistleblowing policy is clearly stated and posted via the FPI's website in the "Whistleblowing policy" section.

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

Email: 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.

Whistleblower Channels

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 Chaikasoot naris@econ.tu.ac.th

Mr.Anant Gatepithaya gatepithaya@gmail.com

Mr.Pumipat Sinachroen pumipat@ap-thai.com

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

Mr.Sompol Tanadumrongsak paulfpi@hotmail.com

Mrs.Nussara Tanadumrongsak apple_fpi@hotmail.com

Miss Jaruwan Chatwichian wan.winnie19@gmail.com

Whistleblower Policy procedure

FPI has formulated and effectuated the following Whistleblower Policy Procedure:

1. Review: The responsible department reviews essential information provided in all anonymous submission according to policy and procedure. The submissions are considered given that they provide clear reasoning and evidence. The review result is then reported back to the whistleblower.

2. Investigation: Head of Internal Audit presents a report of facts, as well as his/her opinion and suggestions, to the President and Chief Executive Officer for his consideration and further action.

3. Executive Action: The Chairman of Executive Committee and Managing Director will form an investigation committee to oversee action to be taken in accordance with the Company Work Regulations. The investigation committee ensures that every party involved is treated fairly.

4. Report: The whistleblower will be notified of the solution if contact information was provided. The Corporate Governance Committee and the Audit Committee will also be notified of the solution.

Whistleblower and Witness Protection

Whistleblowers and any witnesses who collaborate in the investigation will be afforded the following protection according to the Whistleblower Policy:

1. A whistleblower, a stakeholder or any person who truthfully collaborates in the investigation will be protected and treated with non-retaliation.
2. Information of the whistleblower, as well as any persons involved, will be treated with confidentiality according to our regulations on information classification and security of confidential documents.
3. FPI will provide suitable mitigation measures for the whistleblower or the affected party.

In 2017, no such reports were submitted via FPI channels.

4. Disclosure and Transparency

It is FPI's policy to disclose data and information on our financial matters, general businesses, and operating performance which are accurate, complete, adequate, credible, direct, timely, thorough, and equally distributed to all relevant parties. These data and information must show the status of FPI's operations and its true financial standing. In extension, this disclosure reveals our future directions. It allows shareholders and stakeholders convenient and speedy access to data and information in Thai and English, through the SET Portal and our www.fpiautoparts.com website. FPI adheres to the laws, rules, and regulations of the SEC, the SET, and other governmental agencies. We also monitor changes to these laws, rules, and regulations to ensure compliance. Such attention to detail serves as a guarantor to shareholders that our business is transparent and straightforward. Investor Relations (IR), and Corporate Secretary are in charge of providing data and information and answering questions.



In 2017, we disclosed in full our financial and non-financial information. The disclosure of our financial statement was reviewed and audited by certified auditors to ascertain it being accurate and in accordance with established standards. The financial statement was also approved for disclosure by the Audit Committee and the Board of Directors prior to being made available to the public. The Board also made a report of the Board of Director's Accountability to Financial Report, which is disclosed with the independent auditors' report. This also includes connected transactions, management's discussion and analysis, risk management analysis, and good corporate governance. These information were disclosed in the annual report as well as in Form 56-1 as below;

1. FPI disclosed our operational structure, as well as that of the Group, subsidiaries, and joint-ventures. The information disclosed included the shareholder structure of majority shareholders, the number of shares held, and the portion of shares held by institutional investors of more than 5%.

2. Directors and Executives must report their interest and those of their related persons if such interests concern the management of FPI or its subsidiaries. This reporting duty applies upon each of them taking up the position for the first time and when there is a change to the interests. Furthermore, they must report their securities holding to the Board of Director at the Board Meeting on a monthly basis and disclosed in the annual report on a yearly basis.

3. To prevent conflicts of interest, FPI's policy mandates that Director and Executives who may have a conflict of interest in any agenda item in the meeting are not to attend the meeting during the discussion of that particular item. In the event that they are obliged to attend such agenda item to provide information, they are to refrain from voting or giving opinion. The Corporate Secretary or the Secretary of each Sub-Committee is to record the conflict situation of the Directors or Executives in the meeting minutes. Another best practice in line with this is the policy that requires all employees to report any possible conflict of interest pertaining to FPI Group in the designated conflict of interest disclosure form. This report is required upon taking up the position, once at the end of every year, and when a conflict of interest arises. This is to show the intention to perform their role with transparency. And to prevent conflicts of interest, FPI provides an online conflict of interest disclosure channel to reduce the amount of paper used and to enhance the convenience of collecting such information and searching purpose. This has enabled the Corporate Secretary to compile and propose best practices to their supervisor and to those employees submitting the form.

4. We disclosed our Director nomination procedure, Director performance evaluation procedure, and their performance evaluation results for the year 2017.

5. We disclosed our policy on the remuneration of high-ranking Executives and Director, including the types and amounts of remuneration each Director receives for their position on the Board and in each Sub-Committee. We also disclosed the performance of each Sub-Committee, including each Sub-Committee Director's Meeting attendance and remuneration of each of them individually.

6. We disclose information on important investment projects and their effects through several channels. Shareholders, investors, the media, and stakeholders have equal access to this accurate, thorough and transparent information. Stakeholders and the general public may reach FPI to give suggestions through FPI's website on the Contact Form page, which is available in Thai and English. They may choose from a selection of topics, i.e. public relations, corporate governance, products and services, investor relations, and CSR.

FPI discloses important information in Thai and English through the following channels:

- SET Community Portal of the Stock Exchange of Thailand
- website, www.fpiautoparts.com, where a clear and complete contact information of Directors and relevant departments may also be found
- Other channels such as Frobe magazine, newspapers, press releases, email, exhibitions, and other activities for the benefits of other stakeholders

Insider Information

To emphasize the importance of disclosure and transparency, the Board of Directors laid down a policy regarding this subject matter in the Corporate Governance and Business Code of Conduct Handbook, which is available on FPI's website. The handbook serves to inform shareholders about the issue and remind Directors, Executives, and staff members to adhere to the policy. Listed below is a summary of important principles.

1. Directors and Executives, from Senior and Executive Vice President to the top, have duty to report on their securities holding in FPI including changes thereof as per SEC's specification. This report must be submitted to FPI within three business days from the date the securities' holding has changed. They have to sign their name in acknowledgement of this policy upon taking office. Additionally, as the Board of Directors monitors the implementation of the Business Code of Conduct regarding internal use of information, the said person must submit a copy of the report to the Corporate Secretary, who will report it at the Board meeting or when the change occurs, as well as disclose the accumulative information as recorded at the beginning until the end of the year in the annual report.

2. FPI sends written notifications to Directors and Executives to notify them that they are prohibited from trading securities 30 days prior to the disclosure of the quarterly and annual financial statements or other information that may affect the price of FPI's stock. They are also prohibited from trading FPI's securities within 24 hours from the disclosure.

3. FPI laid down the Confidentiality of Information Policy, which requires all Executives and staff members to safeguard FPI's information, business partners' information, and personal information of related parties. They are also to safeguard confidential information or information that is yet to be in public domain for the benefit of the business and to maintain legal practices of confidentiality of information according to Thai and international laws.

4. We regularly keep our Director, Executives, and Employees up to date on regulations and policies regarding insider information. On top of ensuring compliance, regular updates also prevent employees from taking advantage of insider information for personal gain or for other people's. FPI has outlined clear punitive disciplines for cases of violation. Also, it is supervisors' duty to ensure compliance of their supervisees. There has been no report of violation in this past year.

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.



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

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 : ir@fpi.co.th

Apart from abiding by the Employee Code of Conduct, the Board of Directors has also prescribed the following practices:

Investor Relation Code of Conduct

1. Disclose necessary and important information thru public under accurately, sufficiently and in time for safety sake to all.
2. Keep confidential of company information. Not abuse those relevant information which lead to their own as well as others' benefit.
3. Disclose information in fair and just. Allow stakeholders to access and inquire all relevant information by contact Investor Relation with good manner and precisely clarification.
4. Perform as professional in good practice with integrity and fair. Avoid all discrimination, bribery that may lead to any own benefits beyond company and stakeholder.
5. Build up good image, perception and attitude toward company as well as have good relationships among concern parties.
6. Abide strictly to Company's guidelines upon internal information and stock trading.
7. Perform as professional with good knowledge and high competency.
8. Keep continue in learning and improve regularly.

Investor Relations Activities

The company was selected by the Stock Exchange of Thailand to receive the SET Awards 2017, for Thailand Sustainability Investment 2017 and the Rising Star Sustainability Award 2017 from the Stock Exchange of Thailand, and has been certified ISO50001 in the development of Thailand's energy management system to the international energy management system (ISO 50001 from the Department of Alternative Energy Development and Energy Conservation Ministry of Energy. The company has been awarded the Carbon Footprint for Organization (CFO), the Carbon Footprint Products (CFP) and the Carbon Footprint Reduction : CFR) from the Greenhouse Gas Management Organization.

In 2017, the Company organized various activities. For senior executives to meet with individual investors. Institutional investors, analysts and the media regularly. By presenting the results of the company through the channel. And activities Summarized as follows:

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 2016, the Company allowed other listed companies to meet the Executives and management department.

mai FORUM 2017 on July 1, 2017 by Market for Alternative and Investment and Association of Listed Companies in the Market for Alternative and Investment organize this mai FORUM 2016 at Centara@ Central World 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.

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. Responsibilities of the Board of Directors

The Board of Directors has a pivotal role in corporate governance for the utmost benefit of FPI; therefore, FPI has outlined the policy on duties of the Board including its composition as well as its roles and responsibilities as follows;

1. Setting Business Strategies, Policies, and Directions

The Board considers and approves FPI's business strategies in accordance with current economic situations. These strategies are reviewed at least once a year. In 2017, the Board met to review FPI's long-term direction and business strategies in August. Additionally, the Board ensures that management implemented goals and plans through the President and Chief Executive Officer without neglecting other activities to maintain balance among business, society, and the environment in order to develop sustainable growth in the future.

2. Corporate Governance and Business Code of Conduct

The Board set the Corporate Governance Policy and Business Code of Conduct for FPI Group's Director, Executives, and staff members to comply with. These are guiding operations to the highest standards, with ethics, transparency, efficiency,



and accountability for FPI to earn credibility and recognition. The Corporate Governance Committee is tasked with ensuring that FPI is in strict compliance with all applicable laws, regulations and resolutions of shareholders. It devises the Corporate Governance Policy and Business Code of Conduct and Corporate Compliance Policy. It also sees to matters of internal control practices, good and independent auditing, disclosure of important information, equal protection of interests and rights of all shareholders. Furthermore, it raises awareness and understanding of FPI's personnel on compliance with the Corporate Governance Policy.

3. Internal Control and Internal Audit

The Board understands the importance of internal control and internal audit. FPI and companies under FPI Group must have effective internal control system that is consistent with the level of risk that they are exposed to. The Audit Committee and Internal Audit Department are mandated with responsibility for performing reviews and monitoring internal audit on a regular basis. They must ensure that requirements are met on operations, reporting duty and compliance with all laws, rules, and regulations. Furthermore, they must build confidence among Executives, Investors, and other Stakeholders by implementing an internal control system that meets international standards, taking into consideration an appropriate internal control environment, assessment of risks that may jeopardize the objectives and efficient control activities. They must also provide trust-worthy internal and external communication. Adequate and reliable monitoring must be executed regularly. These are described under Internal Control.

4. Risk Management

The Board oversees FPI's risk management system. Risk is a barrier to achieving our strategic objectives. The Risk Management Committee is tasked with devising policies and frameworks of risk management as well as supporting and ensuring its efficiency. The Risk Committee considers substantial risk at project level and organization level. The Committee must provide operation plan, monitor, assess, and consistently make adjustments to the risk management plan to decrease exposure to organizational and project risks to an acceptable level. Furthermore, it must provide risk management reports to the Board on regular and ad-hoc basis, as disclosed under Risk Management and Risk Factors.

5. Conflicts of Interest

The Board of Directors has laid down a policy and guidelines for the possibility of a conflict of interest in the Corporate Governance and Business Code of Conduct Handbook, to which all Directors, Executive Officers and employees must conform. They must also carefully follow the guidelines for transactions or connected transactions to refrain from violating the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. Directors and Executive Officers from Executive Vice President to the top of the corporate hierarchy, as well as other finance-related positions per the SET's requirements, must report their interests and those of their related persons to FPI. Employees are required to report all possible conflicts of interest annually. In addition, in the event that a conflict of interest has arisen, all persons involved are required to report it to FPI immediately.

FPI has put further measures in place to prevent conflicts of interest.

1. Directors, Executive Officers, employees and all related persons shall refrain from partaking in a financial transaction and/or a relation with an external entity that may result in a conflict of interest with FPI or may hinder the efficiency of our operations.
2. In the event that a conflict of interest has arisen in procurement, bidding, decision making or transaction approval, they are required to report the conflict of interest to their immediate supervisor or the party involved, using our Conflict of Interest Form, and withdraw from such a process.

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

Transaction of the listed company and Joint Venture compant (in which the listed company hold shares in an amount exceeding 50 percent of 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 fourths 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.

Board of Directors and Sub-Committees

Board of Directors

Directors are qualified experts with knowledge, skills, and experiences in various fields. The combination of these skills and qualities is aimed to bring the greatest benefit possible to FPI. They dedicate their time to perform their duties for the utmost benefit of FPI and for all shareholders. They are nominated and appointed per proper criteria. Their duties and responsibilities are based on applicable laws, FPI's rules and regulations, shareholder resolutions, good corporate governance principles and based on the notion that they shall not act in conflict of interest with FPI. This is to instill confidence among shareholders and investors. The structure of the Board of Directors as appears in Management Structure allows them to perform their duties efficiently. The number of Directors is suitable for the size and type of business and was approved by shareholders. In 2017 we made further adjustments to the composition and qualification of Directors, mandating that Independent Director should comprise more than half of the Board. 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 7 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
7. Corporate Governance 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.

Nomination and Appointment of Directors and President and Chief Executive Officer

Nomination and Appointment of Directors and Independent Directors

The Board of Directors has appointed the Nomination and Remuneration Committee and tasked it with finding candidates with the knowledge, skills, expertise, and experience that will benefit and complement our business strategies when a Director position becomes vacant or a Director's term is due for rotation. Suitable candidates may also be proposed by minority shareholders or majority shareholders and match their qualification with Director Nomination Criteria of the Stock Exchange of Thailand. Nominees may also be nominated from Directors' Pool of trusted organizations such as the Institute of Directors or from the Director Database that has compiled names of experts in various fields that will benefit FPI. In considering a candidate to nominate, the Committee values their skills, experience, profession, and expertise that complement our business strategies. This renders the

Board diverse and able to maximize benefits to FPI. In addition, the Committee takes into account any possible conflict of interest of nominees to ensure thorough transparency of their appointment. Below are the types of appointment:

Directors

- Nomination of New Directors: Consideration is given to a number of factors. They must possess qualifications required by laws and related regulations. They must be an expert with knowledge, skills, and experience in the fields that are advantageous to their role as a Director, beneficial to the composition of the Board, and complementary to our business strategies. These possible nominees are considered against a skill matrix, comprising engineering, legal, financial, accounting, economic, security and social, and management skills. This skill matrix helps find the right Director whose skills, when combined with the others', will prove beneficial to our operations and also helps screening possible conflicts of interest.

- Nomination of Existing Directors: Consideration is given to past performance, beneficial suggestions given and opinions expressed, time dedication, and participation in various activities.

Independent Directors

On the matter of nominating and appointing an Independent Director, the number of Independent Director is mandated by the SEC. As of 31 December 2017, there are 5 Independent Directors out of all 11 members of the Board or 45% of Board of Directors. This figure exceeds the number required by SEC and is in line with the information disclosed under Management Structure. The definition and qualifications of an Independent Director are outlined in the Corporate Governance Handbook and also available on the website.

Nomination and Appointment of the Chief Executive Officer

Nominating a candidate to the office of the Chief Executive Officer is done when the position is vacant. The Nomination and Remuneration Committee considers candidates' skills, experience, profession, and specialization that are directly needed and will yield the utmost benefit to FPI's business. The nominee has to be approved by the Board. The criteria are listed hereafter:

- Be FPI's Director according to the Articles of Association
- Knowledge and skills required to run a business
- Experience in the automotive industry sector
- Experience in leading an organization
- Leadership skills
- Held in high esteem by related businesses and organizations

(More information can be found under Development of Directors and Executives and Talent Management Succession Plan.)

Roles of the Chairman and the President and Chief Executive Officer

The Chairman of the Board of Directors and the President and Chief Executive Officer shall not be the same person. Their roles and responsibilities are separate as outlined below:

The Chairman of the Board of Directors is an Independent Director tasked with supporting management. It is not his or her role to partake in the quotidian operations. The Chairman's main role is to maintain the Board's independence from management and ensure its efficiency. The Chairman works together with the President and Chief Executive Officer, who also acts as Secretary to the Board, to determine meeting agenda. The Chairman encourages all Directors to participate in Board Meetings, sees to it that Directors comply with FPI's Corporate Governance and Business Code of Conduct, and takes responsibility towards shareholders and stakeholders. In addition, the Chairman must not be part of any Sub-Committees to clearly and appropriately segregate his or her duties and to maintain his or her independence as Chairman. The current Chairman has performed his task with prudence, independence, and admirable leadership. His actions reflect his aim for the utmost benefit of FPI. He has extensive experience and expertise in automotive industry, and management. He is also well regarded by several organizations who would like to use his knowledge and skills to their advantage.

President and Chief Executive Officer appointed from one of the Directors according to the Articles of Association; sits at the highest pinnacle of the corporate hierarchy. He or she is tasked with managing FPI according to established policies, plans, and budgets under the authority granted by the Board of Directors and laid down in the Articles of Association and the Company's regulations. The President and Chief Executive Officer also serves as Secretary to the Board. The roles and duties of this position are disclosed on FPI's website (www.fpiautoparts.com) in Thai and English. Furthermore, the Articles of Association also mandate that the President and Chief Executive Officer is remunerated and receive benefits for his or her role as the highest-ranking Executive on top of being a Director.

Board Meetings

The Board of Directors schedules the exact date and time of board meetings for the entire year in advance. The agenda of each meeting is also clearly outlined. There were also other special meetings whenever the need arose. Directors received



the invitation to the meeting, draft minutes of the previous meeting, and information accompanying the meeting agenda seven days prior to the meeting. In 2017, there were a total of 8 meetings scheduled in advance. Details of Directors' attendance are disclosed in Board Meetings, under Management Structure. The Chairman chairs these Board Meetings and allows every Director to express their opinion freely. In accordance with best practices, the Board of Directors mandates that at least two-thirds of all Directors must be present to constitute a quorum and the quorum must be maintained until voting. A resolution is passed based on majority votes. Each Director has one vote. Directors who have interests in an agenda item either refrain from attending the meeting during the discussion of that agenda item or from voting on that agenda item. In the event of a tie vote, the Chairman casts his vote to resolve the matter. The Chairman has encouraged all Directors to attend these meetings throughout 2017. The Board also places a great deal of importance on resolving conflicts of interest prudently, justly, and transparently. The Board also discloses information regarding conflicts of interest in full. In the event a Director has interests in the subject matter being considered, that Director must not be part of decision making. After the meeting, Corporate Secretary will complete meeting minutes, which will be presented as the first agenda item of the next meeting. The Chairman then signs his name to approve the minutes, which are then systematically kept as a confidential electronic document together with other agenda-accompanying documents for ease of retrieval and reference purpose.

Independent Directors held an Independent Director Meeting to exchange ideas and give suggestions independently. This meeting allowed them to discuss problems of anagement that are of interest to them without the presence of management. It was also a chance to discuss the protection of FPI's interests, prevention of conflicts of interest between FPI and stakeholders, internal control, and efficient and adequate risk management. In addition, there was a Director Meeting without management present that gave the Board a chance to express ideas and give suggestions on FPI's business.

Throughout 2017, These documents were classified as confidential and safeguarded by a security system. Furthermore, FPI has taken advantage of the advancement of communication technology for members of the Board of Directors and Corporate Secretary to discuss matters relating to Board Meetings and other significant issues, such as news of FPI's operations, news released to the media and the public, and information disclosed to the Stock Exchange of Thailand through this communication platform.

Directors' Performance Assessment

Self – Evaluation of the Board of Directors

The board of directors requires the evaluation on the operation of the board of directors annually at least 1 time per year to perceive problems and threats during the last year and improve the efficiency of operation of Board of Directors because they can perceive their responsibilities and duties explicitly. In addition to improve the relationship between Board of Directors and Management Team as well as improve direction of problem solving to meet with good corporate governance. Assessment criteria has the following details: Performance, policies, correctional guidelines in cases where operations did not occur according to specifications, preparations before attending meetings, practices concerning the governance of the company's business, performance of duties as the Chairman and risk management monitoring, etc. The results of the assessment, the Commission analyzed statistical data. And the outcome of the evaluation of the Company's Board of Directors in order to contribute to the implementation of the next administration. And in 2017, the Company

assessed the performance of every sub-committee, namely, the Audit Committee, the Recruitment, Remuneration and Corporate Governance Committee and the Risk Management Committee with the following assessment criteria:

1. Suitable sub-committee structure and qualifications resulting in effective work;
2. Effective sub-committee meeting performance
3. Roles, duties and responsibilities of sub-committees.

Managing Directors' Performance Evaluation

The company's board of directors has scheduled annual evaluations of the performance of directors. The company adapted its evaluation form based on a sample self-evaluation form for directors of the Stock Exchange of Thailand as deemed fitting and concurrent with the organization's goals and strategic plans. The assessment criteria are divided into the following topics:

1. Leadership;
2. Setting Strategy;
3. Strategy Performance;
4. Planning and Financial Performance;
5. Relationship with the Board of Directors;
6. External Relationships;
7. Management and Personnel Relationships;
8. Handing Over Positions;
9. Product and Service Knowledge;
10. Personal Qualities.

The scores of the board of directors' self-evaluation were submitted to statistical data analysis for the purpose of improvement and development of various and different aspects as well as the consideration of setting remuneration rates and commensurate incentives.

Board of Directors

The performance of the Board of Directors is assessed every year to help Directors review their performance and revisit problems and obstacles of the past year. There are group assessment, self-assessment. The score is divided into five levels. The overall assessment is summarized and presented to the Board and is disclosed in that year's annual report.

In 2017 the assessment questions and criteria underwent another revision to align them with best practices and guidelines on directors' assessment, including the new CG Code issued by the SEC. The assessment result was taken into account during the Board's annual remuneration consideration, in addition to FPI's operating performance. The suggestions provided in the assessment were used to devise guidelines that would help concretely improve the efficiency of the Board as a whole.

1. The Group Assessment comprised six categories of questions,

1. Board policy,
2. Board performance,
3. Board structure,



4. Board style,
5. Board meeting and
6. Board development.

The group assessment was conducted in December of 2017, during which 11 Directors were in office.

The Group Assessment of the Board yielded **an average score of 91.25%**.

2. The Self-Assessment comprised three categories of questions,

1. Responsibility toward duties,
2. Independence, and
3. Self-development and teamwork.

The Self-Assessment of the Board yielded **an average score of 99.79%**.

Sub-Committees

FPI's Sub-Committees are comprised of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Anti-Corruption Committee and the Corporate Governance Committee. They also undergo the annual performance assessment, both at committee (group) and individual levels. In 2017 every Sub-Committee reviewed and improved the assessment questions and criteria to include compliance with good corporate governance.

1. The Audit Committee was assessed on the topics of its charter; composition; meetings; training and resources; responsibilities; relationship with Executive Committees, Internal Audit, auditors and management; reporting duty to the Board and shareholders; and the maintenance of their performance quality. The results are summarized below:

Group Assessment: **average of 96.53%**

Individual Assessment: **average of 99.31%**

2. The Nomination and Remuneration Committee was assessed on the topics of composition and qualifications, scope of duties, meetings, reporting duty and performance evaluation. The results are summarized below:

Group Assessment: **average of 93.06%**

Individual Assessment: **average of 99.31%**

3. The Corporate Governance Committee was assessed on the topics of composition and qualifications, scope of duties, meetings, reporting duty and performance evaluation. The results are summarized below:

Group Assessment **average of 94.44%**

Individual Assessment: **average of 99.31%**

4. The Risk Management Committee was assessed on the topics of composition and qualifications, scope of duties, meetings, reporting duty and performance evaluation. The results are summarized below:

Group Assessment: **average of 89.58%**

Individual Assessment: **average of 99.31%**

Development of Directors and Executives

1. The company's board of directors has policy for supporting and facilitating training to impart knowledge about the company's governance system, which included directors, auditing directors and recruitment directors in the setting of remuneration and corporate governance, and directors for risk management and the corporate secretary in order to improve practice on a continual basis as arranged by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and courses sponsored by the Thai Institute of Directors Association (IOD).
2. The company has made arrangements for documents and information for the benefit of new directors in performing their respective duties as well as a manual on business characteristics and guidelines for conducting the company's business operations for new directors.
3. The aforementioned was given to the Recruitment, Remuneration and Corporate Governance Committee with follow-up on succession plans for managing directors, deputy managing directors and executives. Hence, the executives who have been assigned the role of succession will be developed according to Individual Development Plans in order to prepare them for future succession.

Orientation for New Directors

The company's board of directors has scheduled orientation for every new director in order to build knowledge and understanding about the business, including the performance of various company tasks. In order to prepare directors for the performance of their respective duties, the company has policy for promoting the building of new knowledge for every director in learning about good governance, industrial conditions, technology businesses and new innovations in order to enable directors to efficiently take over their respective duties as soon as possible. The Corporate Secretary will coordinate various issues as follows:

1. Things to Know: Business infrastructure, director infrastructure, scope of duty, laws directors need to know.
2. General Business Knowledge: Guidelines for practice in line with various policies and visiting the production process.
3. Make arrangements for collaborative meetings with the entire board of directors, so in-depth questions can be asked about the business operations.

In 2017, the company provided orientation for 3 new directors, namely, Mr.Suthanai Prasertsan, Mr.Anantachai Yoonprathom and Mrs.Nussara Tanadumrongsak. The secretary prepared various information that the aforementioned directors needed to be aware of and to follow various regulations and rules in addition to asset purchase-sales and business ethics.

Directors Training

FPI's Directors are knowledgeable and skillful. They constantly seeking additional knowledge that will help them better perform their role and benefit FPI's business. FPI encourages all Directors to undergo additional training to enhance their expertise.



In addition, in 2017, the Company was selected by the Stock Exchange of Thailand to receive SET Awards 2017 for Thailand Sustainability Investment 2017 and the Rising Star Sustainability Award 2017 from the Stock Exchange of Thailand, and has been certified ISO50001 in the development of Thailand's energy management system to the international energy management system (ISO 50001 from the Department of Alternative Energy Development and Energy Conservation Ministry of Energy. The company has been awarded the Carbon Footprint for Organization (CFO), the Carbon Footprint Products (CFP) and the Carbon Footprint Reduction : CFR) from the Greenhouse Gas Management Organization.

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.

Talent Management and Succession Plan

FPI has a systematic succession plan with Talent Grouping, 360-degree Executive Evaluation, and an Assessment Center that gauges Leadership Competency, Organization Knowledge, and Experience. All of these contribute to effective individual development plans. Moreover, to support business expansion, the change of organization structure, and to replace vacant positions due to retirement, we laid down succession plans, which ensure business continuity and contribute to the achievement of strategic goals. These plans will help FPI manage vacancies from retirement, transfer, or appoint new positions that emerge from restructuring or expansion in Thailand and abroad. Potential candidates to be successor will be part of a systematic development scheme that readies them for succession.

Governance of FPI and Joint Venture

The Board of Directors endorsed to devise compliance guidelines for FPI's Joint Venture and affiliates. These companies are to operate and manage their business in compliance with FPI's Business Principles to ensure efficiency. The Board of Directors has tasked the President and Chief Executive Officer to regulate policies, criteria, rules, and methods to appoint an employee or a person to be Director of FPI's Joint Venture and affiliates. These are listed in human resource management regulations of FPI. The person appointed as a Director to a subsidiary or affiliate is tasked with managing the company to which he or she is a Director to generate the utmost benefit. Additionally, the Board of Directors ensures that important policies of these Joint Venture and affiliates comply with regulations of the SEC and the SET, as well as applicable laws. These policies include among others, Management Policy, Corporate Governance Policy, Corporate Compliance Policy, Financial and Accounting Policy, Safety, Occupational Health, and Environmental Management Policy, CSR Policy, Human Resource Management Policy. The Board of Directors applies a mechanism to govern the investment of FPI's Joint Venture and affiliates by appointing FPI's Executives to serve as Managing Directors in these companies. In this regard, FPI nominates Executives as representatives from FPI to be Directors in their subsidiaries and affiliates. The Board issued an order titled Guidelines for Governance of Policies and Investments of Companies Whose Shares Are Held by Fortune Parts Industry Public Company Limited. These guidelines help Company's Executives and representatives perform their role in companies under FPI with the same or similar governance to FPI, yielding efficient, transparent, and fair operations that achieve goals.

Furthermore, person appointed to FPI's Joint Venture must ensure that those subsidiaries have regulations on connected transactions that in line with those of FPI. They must also have data storage and accounting records that is auditable and can be used to consolidate with the company's financial statements in timely manner.

Compliance with Other Principles of Good Corporate Governance

In summary of 2017, FPI thoroughly comply with good corporate governance principles. FPI adopted a non-discriminating against gender, nationality, and religion practice in determining Directors' qualification where the Board will consider nominee(s) based on the possession of diverse knowledge and skills. FPI strategies are now reviewed "every year". The Chairman has qualified as an Independent Director. All Sub-Committees must be assessed for their performance yearly. Companies under FPI must have similar standards for their financial, accounting, tax, and budget policies. The Corporate Governance Committee is now officially tasked with Corporate Social Responsibility, as mandated by its charter, which aligns with its current role. All possible dimensions of risk are assessed, including the possibility of corruption within FPI. Internal control framework has been made to assess corruption risks at the process level. Internal control systems are regularly evaluated for their suitability and efficiency. The Charter of the Nomination and Remuneration Committee was updated to require at least two meetings a year, replacing the previous once-a-year requirement. FPI has placed a great deal of importance on anti-corruption and anti-money laundering campaign, the blackout period in which Directors and Executives with insider information are prohibited from trading FPI stocks within 30 days.



Corporate Social Responsibility

The Company has prepared a sustainability report 2017 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 2017 with the annual report to shareholder and disclose via the website of the company 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 ann 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.

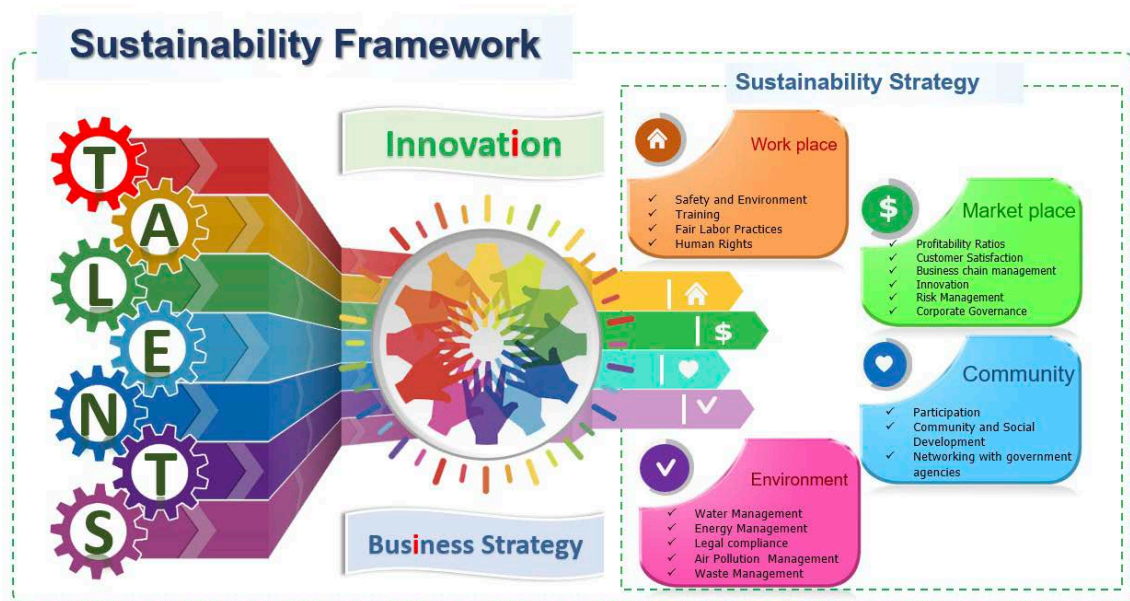
Innovation development and publication from social responsibility

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.

The Road to Sustainability

The company uses innovation as a guideline to drive business, either to change products or services. And the change in the manufacturing process or product presentation process to the market is a guideline for targeting. And business strategy For sustainable development and focus on meeting the needs and expectations of 4 stakeholders:

- 1) Marketplace : Focus on business chain management to quickly gather and analyze data that will enable businesses to tailor and grow their needs.
- 2) Workplace : Focus on creating happiness by treating employees fairly. Develop and build a secure enclosure.
- 3) Environment : Focus on process development by using heat energy, electricity, water efficiency and reducing emissions to the environment.
- 4) Community : Focus on being with the community and improving the quality of life in the community.



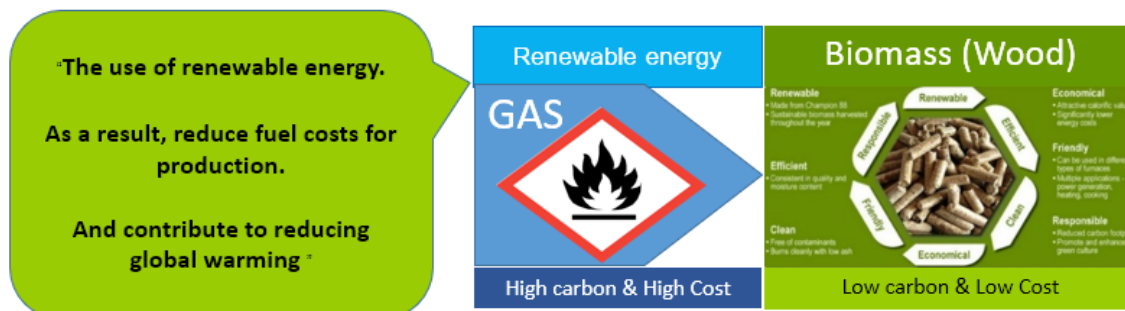


Product Innovation



Tri-Chrome Graphite technology can create a competitive advantage.

Process Innovation



The use of renewable energy has resulted in a reduction in the cost of fuel for plating and spraying lines by more than 50%

Report of Risk Management Committee



Dear Shareholders,

Fortune Parts Industry Public Company Limited has always placed a great deal of emphasis on risk management to ascertain its performance, under the uncertainty context, to achieve the objectives, to create a value added for the business, and to build sustainable growth for the Company supervised by the Risk Management Committee. The Risk Management Committee is composed of qualified professionals with experience and expertise in risk management. Its role is to govern FPI risk management as responsibility and accountability assigned by the Board of Directors. In 2017, there were a total of eight the Risk Management Committee meetings. The important issues of what the Risk Management Committee has done can be demonstrated as below.

1. Reviewed the Risk Management Committee Charter for the Board of Directors' approval and implementation, as well as deliberate, the policies and frameworks related to the risk management to correspond with FPI's business context as appropriate.

2. Gave consent to risk management framework related to the feedstock, product price and foreign exchange rate. During the past year, there is high volatility in product price, and exchange rate; without adequate risk management measures, FPI's performance could be affected. Therefore, the Risk Management Committee closely monitored hedging position under the risk management framework. There were special Risk Management Committee meetings to reconsider the framework suit with the changed situation to effectively manage risks.

3. Reviewed and made recommendations on the risk mitigation measures and key risk indicators (KRIs) for corporate risks to ensure that FPI's risk management covered all of important issues were all are in acceptable levels. The Risk Management Committee also monitored the risk management progress by quarter.

4. Reviewed and provided recommendations on risk assessment and risk management measures for FPI's major investment projects, e.g., Biomass Project Power Plants, to ascertain the appropriateness and sufficiency of risk management measures for the Board of Directors' consideration.

5. Provided opinions and recommendations on 2018 corporate risk factors to ensure the alignment on business directions, strategies, organizational goals, with the changed environment.

6. Reported the risk management performance to the Board of Directors by quarter.

7. Evaluated the Risk Management Committee's performance and of each individual members by annual. The results were presented to the Board of Directors for their acknowledgement.

All in all, the Risk Management Committee greatly values its roles, which ensure both efficiency and effectiveness in risk management. Rigorous work of the Risk



Management Committee allowed FPI to achieve its goals and objectives, as well as create a long-term sustainable value added to FPI for its shareholders and stakeholders.

On behalf of the Risk Management Committee

A handwritten signature in blue ink, appearing to read 'Anant Gatepithaya'.

(Mr. Anant Gatepithaya)

Chairman of the Risk Management Committee

Control Environment and Risk Management

The Board of Directors of Fortune Parts Industry Public Company Limited assigned the Audit Committee to review the suitability and effectiveness of the internal control that the management has provided to ensure that the Company has an effective internal control system. Internal control And adequate oversight of operations to ensure compliance with objectives, objectives, laws, and requirements consistent with the business approach. The SEC and the Stock Exchange of Thailand, the importance of the internal control system in accordance with the international standards of the Committee of Sponsoring Organization of the Treadway Commission: COSO to support the work of the company. It is accurate, transparent, verifiable and can reduce or prevent any potential damage.

Regarding the committee meeting of 1/2018 on 27 February 2018, 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: 1) Control Environment 2) Risk Assessment 3) Control Activities 4) Information & Communication 5) Monitoring Activities,ass management has prepared and the results of reviewing the internal control system evaluation by the Audit Committee. The Board of Directors Consider that FPI's internal control system. The Company has adequate and sufficient personnel to effectively operate the system, including an internal control system to monitor and control the Company's operations. To protect the assets of the company. The directors or executives use Misleading or without authorized.

FPI's Internal Control System can be summarized as follows;

1. Control Environment

The Board and the Management strive to promote corporate culture values that focused on integrity and ethics. They also provide supervision of FPI's operations to ensure its compliance with the organizational vision and missions and to ensure that FPI's control environment is appropriate and effective, as has been detailed below;

The Board maintains its independence from the Management and it is responsible for supervising the overall operation of FPI as well as expressing views on the directions and strategy of FPI which will be used as guidelines to formulate business and operating plan. Furthermore, the Board regularly monitors the performance of FPI and its Sub-committees to ensure achievement of FPI's objectives and goals.

The Board and the Management have established Corporate Governance Policy, Business Code of Conduct, Corporate Compliance Policy, Internal Control System Policy and Anti-Corruption Guidelines which provide preferred practices for all Directors, the Management and Employees. All Employees are accountable for their internal control activities and maintain effective internal control system. The policies have regularly been communicated and promoted to all employees through training courses, activities, regarding Corporate Governance and Business Code of Conduct, Corporate Compliance, Risk Management, and Internal Control.



FPI's corporate structure has been grouped into business units and functions in a way to best support its business operations in an efficient manner and good governance. This structure comes with a system of checks and balances which delegates duties and responsibilities appropriately.

FPI has specified personnel qualifications for individual positions. These qualifications form the basis for recruitment and personnel development. FPI has also put in place succession plan for important management positions to ensure business continuity. Furthermore, it has established performance management and fair rewarding system as incentives provided to motivate employees.

FPI organized exhibition to raise anti-corruption awareness among the Management and the Employee, as well as encourage them to monitor the transparency, auditable manner and fairness of the operations.

2. Risk Assessment

The Board and the Management recognizes the significance of risk management which enables FPI to achieve its short-term and long-term goals. The Risk Management Committee appointed by the Board, along with Enterprise Risk Management Committee appointed by President and Chief Executive Officer, is responsible to oversee FPI's risk management in an appropriate, effective and efficient manner, as following details;

FPI has established Risk Management Framework which follows international standards Risk Management and COSO Enterprise Risk Management. Furthermore, Risk Management Policy has been set as a guideline to manage risks that might have an effect on business operations or FPI's strategic direction.

FPI has applied risk management across the entity including (1) Enterprise Risk Management which develops risk profiles at corporate level, business unit level and department level (2) Investment Risk Management (3) Business process level. In addition, FPI considers the changes from internal and external factors, and the potential of fraud and corruption in assessing risks to the achievement of objectives. Moreover, mitigation plan is identified in order to manage those risks. Risks and mitigation plans are reviewed and monitored on a monthly basis. All departments are responsible for managing risks to maintain an acceptable level.

FPI has developed Key Risk Indicators (KRI) to monitor changes in risks factors in order that those risks are managed efficiently and timely.

3. Control Activities

FPI has developed efficient and effective control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. They have been detailed below;

FPI has designed its control activities which follow internal control principles. These include the segregation of duties, policies and good practices for conflicts of interest transactions. In addition, business is operated in a transparent, fair and auditable manner. There is a transparent transaction approval process which takes into account the utmost benefit of the organization.

The Company has adequately implemented manual and automated control of crucial processes.

FPI has established Information Technology Security Policy in accordance to ensure efficiency and effectiveness of FPI's information technology security.

FPI has written rules, regulations, policies, and procedures to specify work process and appropriately limit the power and authority of Chief Executive Officer, the Management, as well as all levels of Employees. Furthermore, operations are reviewed regularly to ensure their compliance with rules, regulations, policies, and procedures.

FPI has established guidelines to govern and manage companies invested by FPI. The purpose of this is to ensure that these companies align with FPI in terms of operating direction as well as comply with FPI's policies, procedures and strategic direction. Operations of these companies are monitored regularly and continuously.

4. Information & Communication

FPI recognizes the quality of Information & Communication which largely supports the effectiveness of FPI's Internal Control System, as has been detailed below;

FPI has set information classification, instructions for filing important documents and controlled documents. This includes information from both internal and external sources. This process is intended to ensure that important information concerning FPI and its business operations is accurate, complete, adequate and timely.

FPI has appropriately communicated the relevant information to the Board, the management, Employees and Stakeholders. Crucial information relevant to FPI's performance will be delivered to Directors prior to the Board of Directors meetings in order that they will have sufficient time to study, review and make decisions. When necessary, the Board may request additional information from relevant specific departments or personnel.

FPI has set up several internal communication channels, for example, the organization's intranet, e-mail, etc. In addition, new employees receive important information through orientation.

FPI has set up external communication channels to communicate with stakeholders, such as FPI website, e-mail, facebook and twitter. In addition, assigned departments are responsible to disclose important information to all stakeholders regularly.



FPI has established an open communication channel managed by Whistle Blower System. This allows employees and external individuals to be confident that the complaints will be handled with transparency, fairness and confidentiality in timely manner.

5. Monitoring Activities

FPI has monitored and evaluated the sufficiency of its internal control system. Development and improvement processes have also been in place to ensure the efficiency and effectiveness of FPI's Internal Control System. They have been detailed below;

FPI evaluates sufficiency of corporate's internal control system on an annual basis. In addition, FPI has implemented Control Self-Assessment to evaluate internal control mechanisms at process level. The adequacy and appropriateness of Control Self-Assessment results will be verified by the Internal Auditor's P&L Internal Audit Co.,Ltd., which also provides recommendations for improvement on internal control deficiencies, if any. A reporting and monitoring process is also in place to report deficiencies to the Management and track remediation progress on a timely basis. The Internal Auditor, which is an independent unit reporting directly to the Audit Committee, examines and evaluates the effectiveness of internal control activities according to the audit plan approved by the Audit Committee. Deficiencies and recommendations are communicated to parties responsible for implementation. The audit reports and findings are presented to the Audit Committee on a quarterly basis.

In 2017, the Audit Report did not find any significant issues related to conflicts of interest, fraudulent activities, or any other significant deficiencies in the Internal Control System. Furthermore, no violations of SEC and SET rules and regulations or other laws related to FPI were found.

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. 2/2017 on 20 February 2017 also attended by the Audit Committee and the independent directors to review the related party transaction for the period ended December 31, 2016 and December 31, 2015, 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	Partiers with potential conflict/ Nature of transaction
		31 December 2017	31 December 2016	
Sangthong Auto Partsworld Co., Ltd.	Sales Account Receivable	56,519	59,091	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.
Company owned by related person of the Company's management		25,812	30,038	
Sangthong Auto Partsworld Co., Ltd.	Purchase of goods Trade Payable	59,767	81,914	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.
Company owned by related person of the Company's management		12,971	14,659	
United Auto Co., Ltd. (formerly known as "Dongfeng Automobile (Thailand) Co., Ltd.")	Sales Account Receivable	-	-	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.
Company owned by related person of the Company's management		6,255	15,159	
EMP Innovation Co.,Ltd. (formerly known as " United Engine Co., Ltd.")	Sales Account Receivable	-	-	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.
Company owned by related person of the Company's management		6,472	7,122	
ALP FPI PARTS PRIVATE LIMITED	Sales Account Receivable	52,527	1,003	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.
Joint venture		9,855	532	
ALP FPI PARTS PRIVATE LIMITED	Other Receivable	11,122	252	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.
Joint venture				

Safe Energy Holdings Company Limited	Other Payable	38,790	-	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.
Joint venture				
ALP FPI PARTS PRIVATE LIMITED	Other Payable	-	13,364	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.
Joint venture				
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA.	Other Payable	8,421	9,230	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.
Joint venture				
Fortune Box Industry Co., Ltd.	Sales	28	3	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.
Company owned by related person of the Company's management	Account Receivable	2	2	
Fortune Box Industry Co., Ltd.	Purchase of goods	25,801	26,027	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.
Company owned by related person of the Company's management	Account Payable	7,027	8,434	
S.C.G. Industry Co., Ltd.	Purchase of goods	899	1,535	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.
Common director and shareholding	Account Payable	286	320	
S.C.G. Industry Co., Ltd.	Other expenses	8	12	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.
Common director and shareholding				
Imperial Cable Industry Co., Ltd.	Sales	285	-	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.
Common director and shareholding	Account Receivable	-	-	



Imperial Cable Industry Co., Ltd.	Purchase of goods	37	154	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.
Common director and shareholding	Account Payable	17	73	
Joint Venture	Other non-current assets	51,724	-	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.
Common director and shareholding				
K-Mart Service Co., Ltd	Oil and Gas	337	381	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.
Common director and shareholding	Other Payable	62	14	
S C G Hatairath Co., Ltd.	Oil and Gas	285	369	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.
Common director and shareholding	Other Payable	53	72	
Super Central Gas Co., Ltd.	Services	-	251	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.
Common director and shareholding				

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 Audit Committee

Dear Shareholders,

The Audit Committee of Fortune Parts Industry Public Company Limited (FPI) consists of Five independent directors who are experienced in the fields of management, finance, accounting, economics, and law. Ph.D.Naris Chaiyasoot president over the committee as chairman. The other five directors are Mr. Anant Gatepithaya, Mr.Pumipat Sinacharoen, Mr.Suthanai Prasertsan and Mr.Anantachai Yoonprathom, Each of them meets all requirements and criteria set forth by the Stock Exchange of Thailand.

The Audit Committee performs its duties as laid out by FPI's Board of Directors and in its Charter; these are consistent with announcements from the Stock Exchange of Thailand and the Securities and Exchange Commission. In performing its duties, the Audit Committee has emphasized the adherence to principles of Good Corporate Governance and compliance with related laws, rules and regulations in both domestic and international operations including given precedence to the adequacy and effectiveness of the Company's internal control and internal audit systems, as well as reviewing operating results of all business groups and major investments.

In 2017, the Audit Committee held a total of four meetings. The Audit Committee, Ph.D.Naris Chaiyasoot, Mr.Anant Gatepithaya and Mr.Pumipat Sinacharoen, Mr.Suthanai Prasertsan and Mr.Anantachai Yoonprathom attended all four. The following is a summary of opinions and key activities undertake by the Audit Committee:

1. Review of Financial Reports and Non-Financial Reports:

The Audit Committee reviewed FPI's quarterly and annual financial statements for the year 2017, as well as any transactions that could have led to a conflict of interest. The reviews were attended by related members of management and auditor, to give explanations and clarify any questions that arose related to the accuracy, completeness, significant adjusted entries that affected the financial statements, sufficiency of the information disclosure, and audit results. The Audit Committee has opinion that FPI's financial reports present fairly in all material respect in accordance with Thai Financial Reporting Standards. In addition, the meeting between the Audit Committee and auditors without the presence of management was held to make independent discussion on the preparation process of financial statement and reporting, namely the auditor's annual audit plan and framework, risks, internal control, internal audit, allegation, fraud, and other related issues. The Audit Committee realized that auditor received good cooperation and supported from management, independently performed his duties with sufficient knowledge, experience and appropriate audit approach.

2. Review of Risk Management:

The Board of Directors, the Risk Management Committee, and management in general has given precedence to risk management. Internal and external risk factors have been identified and assessed for their impacts and likelihoods, risk mitigation plans were developed, implemented and regularly monitored to ensure those risks were mitigated down to

the acceptable level. Key risk indicators were set to monitor changing factors and enhance the effectiveness and timeliness of the risk responses. The Management reported the progress of risk management activities to the Board of Directors on a regular basis. Additionally, the Audit Committee reviewed the effectiveness of risk management based on business groups' performance reports, internal audit reports and auditor reports. These could reasonably assure that the Company would be able to mitigate potential risks down to acceptable level.

3. Review of Internal Control Systems' Effectiveness:

The Audit Committee reviewed FPI's internal control system by reviewing the result of internal control assessment performed by the management in accordance with the guidelines set forth by the Securities and Exchange Commission (SEC), the internal audit reports and auditor reports. From this review, no major irregularity that could significantly affect the Company was discovered. Moreover, management continuously improves internal control system based on suggestions from the Audit Committee, the auditor, and the internal auditor. These lead to the conclusion that the Company has given precedence to internal control, which could be reasonably assured in its adequacy and effectiveness.

4. Oversight of Internal Auditing:

The Company has appointed P&L Internal Audit Co., Ltd. as an internal auditor that The Audit Committee approved an improvement of internal audit charter, risk based internal audit plan covering significant controls of company and its subsidiaries, the internal audit strategic plan which focused on the development of internal audit capabilities, alignment with company strategies, and built good relations with stakeholders including the key performance indicators (KPIs) of Internal audit. From monitoring and assessing the execution of those plans, the Audit Committee found that Internal Audit succeeded in carrying out its tasks as described in the plans and International Standards for the Professional Practice of Internal Auditing and international leading practice were applied. Internal audit has emphasized the adherence to the Code of Ethics, is independent according to the defined structure and has well collaboration with management and auditor. These indicate that the Company has independent and effective internal audit which operate in accordance with the international practices.

5. Compliance with Related Laws and Regulations set by Stock Exchange of Thailand and other applicable Laws:

Internal audit was assigned by the Audit Committee to review the compliance of applicable laws, rules and regulations that effect the company's operation. The review result indicates that the Company had laid down a system to ensure compliance, including compiling applicable laws and monitoring changes and new laws. The Company had also appointed responsible persons to oversee compliance. No non-compliance that would significantly affect the Company was found. Furthermore, the Audit Committee did not receive any reports from the auditor, allegation from outsiders, or management's information disclosure which indicated that the Company had breached any law and regulations that would significantly affect it. It could be concluded that the Company has effective control of legal compliance and there is no non-compliance that would significantly affect it.



6. Review of Connected Transactions or Other Transactions that may result in Conflicts of Interest to comply with law and Stock Exchange of Thailand's regulation :

Internal audit was assigned by the Audit Committee to randomly review feedstock and service purchase and sale transactions between company and related parties. The review result indicated that there was no connected transaction which irregularities from approved contracts those were processed in accordance with the announcements of the Securities and Exchange Commission (SEC).

7. Appointment of 2017 Auditor:

The Audit Committee selected auditors to nominate from auditors who proposed their service to the Company. Taken into consideration were their qualifications, capabilities, and service fees. The Audit Committee nominated the following auditors to the Board of Directors, who then proposed these names to the shareholder meeting to be appointed as the 2017 auditor: 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 from EY Office Limited. All of the nominees were from the list approved by the SEC; they possessed sufficient experience and hadn't audited or expressed their opinions on FPI's financial statements for more than five fiscal years.

8. Review of Company's Self-Assessment on Anti-Corruption Measures according to The Collective Action Coalition against Corruption (CAC):

The Audit Committee reviewed the result of anti-corruption program review and fraud risk assessment performed by company in 2017, the Audit Committee found that the Company has improved its fraud risk assessment program. Moreover, the Company implements many activities to promote and communicate anti-corruption stance. Among these were knowledge sharing from outside speakers and informative exhibitions for executives and employees to increase their understanding, and awareness. The Audit Committee believes that these are testaments to the Company's commitment to the battle against corruption and its dedication to improving the effectiveness of existing measures.

9. Reviews of Audit Committee Charter:

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.

10. Performance Reports of Audit Committee:

The Audit Committee provided reports on its operations and activities to the Board of Directors on a regular basis. In 2017, a total of four reports were made.

From the above-mentioned activities throughout 2017, the Audit Committee believes that the Company has good corporate governance, sufficient internal control that is suitable for its business, effective risk management, credible accounting, and financial reporting, as well as compliance with laws, rules, and regulations applicable to its business. The Audit Committee received good collaboration throughout 2017 from the Board of Directors, management, the auditor, and relevant parties. As such, we'd like to express our gratitude to all of them.

On behalf of the Audit Committee



Ph.D. Naris Chaiyasoot
Chairman of the Audit Committee



Fortune Parts Industry Public Company Limited
Report and financial statements
31 December 2017

Independent Auditor's Report

To the Shareholders of Fortune Parts Industry Public Company Limited

Opinion

I have audited the accompanying financial statements in which the equity method is applied of Fortune Parts Industry Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2017 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Fortune Parts Industry Public Company Limited for the same period.

In my opinion, the financial statements in which the equity method is applied and the separate 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 2017, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

**Emphasis of Matter**

I draw attention to Note 11 to the financial statements. During the year 2017 Safe Energy Holdings Company Limited, which is a joint venture of the Company, acquired shares of Prize of Wood Green Energy Co., Ltd., Bina Puri Power (Thailand) Co., Ltd., and SAFE Biomass Co., Ltd. from the former shareholder. At present, the joint venture is in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment is to be completed within a measurement period of 12 months from the acquisition date, pursuant to the period allowed by Thai Financial Reporting Standard No. 3 (revised 2016) Business Combinations. During the measurement period the joint venture will make further retrospective adjustments to the provisional amounts recognised at the acquisition date, when it obtains complete accounting information for reporting in the financial statements. This may affect share of profit from investments in joint ventures and investments in joint ventures in the financial statements in which the equity method is applied. My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Company's revenue is derived from both domestic and overseas sales. In addition, the Company has a large number of customers worldwide, the revenues from which were recognised according to the conditions stipulated in the corresponding sales documents. Moreover, near the end of the reporting period, there were a high number of sales transactions. There is therefore a risk with respect to the timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions stipulated in the corresponding sales documents, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Inventory

The Company is the distribution center of automotive replacement parts to customers both domestic and overseas. To quickly responses to the purchase orders from its customers, the Company has to stockpile a lot of inventories. Estimating the net realisable value of inventory, as disclosed in Note 9 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.



I assessed the internal controls of the Company relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

Accounts receivable

The Company sells goods to customers in the Middle East and North Africa that are under United Nations sanctions and that are facing political instability. Estimating the allowance for doubtful accounts, as disclosed in Note 8 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of the allowance for doubtful accounts for overseas trade accounts receivable. This requires detailed analysis of the economic circumstances, the political situation and the fluctuation of the foreign currency. There is a risk with respect to the amount of provision set aside for the allowance for doubtful accounts.

I assessed the internal controls of the Company relevant to the determination of allowance for doubtful accounts by making enquiry of responsible executives and gaining an understanding of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for doubtful accounts and reviewing the consistency of the application of that basis, and the rationale for the recording of specific allowance.
- Comparing the aging of accounts receivable overdue and movements in accounts receivable to identify groups of customers with indicators of slower than normal collection.
- Reviewing subsequent collections after the date of the financial statements for accounts receivable that are outstanding for longer than normal.

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 27 February 2018



Fortune Parts Industry Public Company Limited

Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	259,137,259	131,809,959	259,137,259	131,809,959
Trade and other receivables	8	724,070,889	731,048,806	724,070,889	731,048,806
Inventories	9	429,724,900	355,751,350	429,724,900	355,751,350
Other current assets		62,699,863	62,481,050	62,699,863	62,481,050
Total current assets		1,475,632,911	1,281,091,165	1,475,632,911	1,281,091,165
Non-current assets					
Investments in associates	10	-	7,987,925	-	8,500,000
Investments in joint ventures	11	238,776,457	54,304,329	226,627,714	56,085,750
Property, plant and equipment	12	1,020,621,142	1,068,156,622	1,020,621,142	1,068,156,622
Intangible assets		1,097,176	1,876,969	1,097,176	1,876,969
Deferred tax assets	21	6,796,799	2,503,982	6,796,799	2,503,982
Other non-current assets		52,373,200	10,519,488	52,373,200	10,519,488
Total non-current assets		1,319,664,774	1,145,349,315	1,307,516,031	1,147,642,811
Total assets		2,795,297,685	2,426,440,480	2,783,148,942	2,428,733,976

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

Fortune Parts Industry Public Company Limited

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	978,841,289	767,525,745	978,841,289	767,525,745
Trade and other payables	14	285,548,029	312,683,405	285,548,029	312,683,405
Current portion of long-term loans	15	88,465,155	109,235,576	88,465,155	109,235,576
Income tax payable		4,189,369	27,261,407	4,189,369	27,261,407
Short-term provision	16	3,589,398	3,594,795	3,589,398	3,594,795
Other current liabilities		23,459,396	27,315,869	23,459,396	27,315,869
Total current liabilities		1,384,092,636	1,247,616,797	1,384,092,636	1,247,616,797
Non-current liabilities					
Long-term loans, net of current portion	15	70,039,377	81,478,186	70,039,377	81,478,186
Provision for long-term employee benefits	17	13,848,278	10,484,601	13,848,278	10,484,601
Total non-current liabilities		83,887,655	91,962,787	83,887,655	91,962,787
Total liabilities		1,467,980,291	1,339,579,584	1,467,980,291	1,339,579,584

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



Fortune Parts Industry Public Company Limited

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital					
Registered					
1,514,638,167 ordinary shares of Baht 0.25 each		378,659,542	378,659,542	378,659,542	378,659,542
Issued and fully paid-up					
1,268,016,959 ordinary shares of Baht 0.25 each					
(2016: 1,218,564,359 ordinary shares of					
Baht 0.25 each)	18	317,004,240	304,641,090	317,004,240	304,641,090
Share premium	18	316,306,745	229,764,695	316,306,745	229,764,695
Advance from share subscription	18	136,777,700	1,908,000	136,777,700	1,908,000
Retained earnings					
Appropriated-statutory reserve	19	39,573,191	39,573,191	39,573,191	39,573,191
Unappropriated		517,655,518	510,973,920	505,506,775	513,267,416
Total shareholders' equity		1,327,317,394	1,086,860,896	1,315,168,651	1,089,154,392
Total liabilities and shareholders' equity		2,795,297,685	2,426,440,480	2,783,148,942	2,428,733,976

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

Fortune Parts Industry Public Company Limited
Income statement
For the year ended 31 December 2017

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Sales		1,977,094,832	1,983,159,703	1,977,094,832	1,983,159,703
Service income		2,069,398	3,180,956	2,069,398	3,180,956
Export incentive		25,304,818	23,297,369	25,304,818	23,297,369
Gain on exchange		-	14,129,359	-	14,129,359
Other income		17,458,351	5,085,470	17,458,351	5,085,470
Total revenues		2,021,927,399	2,028,852,857	2,021,927,399	2,028,852,857
Expenses					
Cost of sales		1,524,067,751	1,447,188,548	1,524,067,751	1,447,188,548
Cost of services		1,179,404	2,037,201	1,179,404	2,037,201
Selling expenses		124,397,878	101,667,294	124,397,878	101,667,294
Administrative expenses		118,387,315	87,251,995	118,896,840	87,251,995
Allowance for doubtful accounts (reversal)		(15,314,899)	139,125	(15,314,899)	139,125
Allowance for diminution in value of inventories		16,477,310	8,717,059	16,477,310	8,717,059
Total expenses		1,769,194,759	1,647,001,222	1,769,704,284	1,647,001,222
Profit before share of profit (loss) from investments in associates and joint ventures, finance cost and income tax expenses		252,732,640	381,851,635	252,223,115	381,851,635
Share of profit (loss) from investments in associates	10	2,550	(512,075)	-	-
Share of profit (loss) from investments in joint ventures	11	13,930,164	(1,090,967)	-	-
Profit before finance cost and income tax expenses		266,665,354	380,248,593	252,223,115	381,851,635
Finance cost		(30,796,358)	(34,602,223)	(30,796,358)	(34,602,223)
Profit before income tax expenses		235,868,996	345,646,370	221,426,757	347,249,412
Income tax expenses	21	(31,638,083)	(59,975,815)	(31,638,083)	(59,975,815)
Profit for the year		204,230,913	285,670,555	189,788,674	287,273,597
Earnings per share	22				
Basic earnings per share					
Profit for the year		0.16	0.24	0.15	0.24
Diluted earnings per share					
Profit for the year		0.15	0.20	0.14	0.21

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



Fortune Parts Industry Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

		Financial statements in which			
		equity method is applied		Separate financial statements	
	Note	2017	2016	2017	2016
Profit for the year		204,230,913	285,670,555	189,788,674	287,273,597
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	17	(673,578)	(705,537)	(673,578)	(705,537)
Less: Income tax effect	21	134,716	141,107	134,716	141,107
Other comprehensive income for the year		(538,862)	(564,430)	(538,862)	(564,430)
Total comprehensive income for the year		203,692,051	285,106,125	189,249,812	286,709,167

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

Fortune Parts Industry Public Company Limited
Cash flows statement
For the year ended 31 December 2017

(Unit: Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	235,868,996	345,646,370	221,426,757	347,249,412
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	210,260,040	201,936,211	210,260,040	201,936,211
Allowance for doubtful accounts (reversal)	(15,314,899)	139,125	(15,314,899)	139,125
Reduction of inventory to net realisable value	16,477,310	8,717,059	16,477,310	8,717,059
Gain on sales of equipment	(11,733,448)	(893,543)	(11,733,448)	(893,543)
Share of loss (profit) from investments in associates	(2,550)	512,075	-	-
Share of loss (profit) from investments in joint ventures	(13,930,164)	1,090,967	-	-
Loss on the dissolution of associates	-	-	509,525	-
Short-term provision	1,181,669	3,452,684	1,181,669	3,452,684
Provision for long-term employee benefits	2,690,099	2,064,387	2,690,099	2,064,387
Unrealised loss (gain) on exchange	2,590,705	(13,636,932)	2,590,705	(13,636,932)
Interest expenses	26,775,351	30,596,030	26,775,351	30,596,030
Profit from operating activities before changes in operating assets and liabilities	454,863,109	579,624,433	454,863,109	579,624,433
Operating assets decrease (increase)				
Trade and other receivables	27,668,406	(15,034,442)	27,668,406	(15,034,442)
Inventories	(90,450,860)	1,040,341	(90,450,860)	1,040,341
Other current assets	(218,813)	15,648,510	(218,813)	15,648,510
Other non-current assets	(1,779,510)	(1,188,658)	(1,779,510)	(1,188,658)
Operating liabilities increase (decrease)				
Trade and other payables	(12,619,449)	25,053,330	(12,619,449)	25,053,330
Other current liabilities	(2,774,555)	5,576,186	(2,774,555)	5,576,186
Cash paid for short-term provision	(1,187,066)	(3,117,963)	(1,187,066)	(3,117,963)
Cash flows from operating activities	373,501,262	607,601,737	373,501,262	607,601,737
Cash paid for corporate income tax	(58,868,222)	(63,947,468)	(58,868,222)	(63,947,468)
Net cash flows from operating activities	314,633,040	543,654,269	314,633,040	543,654,269

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



Fortune Parts Industry Public Company Limited

Cash flows statement (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Cash paid for investments in associates	-	(19,000,000)	-	(19,000,000)
Cash receipt from the return of share capital from investments in associates	7,990,475	10,500,000	7,990,475	10,500,000
Cash paid for investments in joint ventures	(222,265,464)	(48,768,750)	(222,265,464)	(48,768,750)
Acquisition of plant and equipment and payment of payables for purchase of equipment	(222,593,976)	(226,961,966)	(222,593,976)	(226,961,966)
Acquisition of intangible assets	(18,000)	-	(18,000)	-
Proceeds from sale of equipment	47,920,619	6,352,289	47,920,619	6,352,289
Net cash flows used in investing activities	(388,966,346)	(277,878,427)	(388,966,346)	(277,878,427)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	211,659,709	(110,770,466)	211,659,709	(110,770,466)
Cash receipt from long-term loans	130,714,975	110,514,235	130,714,975	110,514,235
Repayment of long-term loans	(152,317,259)	(125,276,974)	(152,317,259)	(125,276,974)
Cash paid for interest expenses	(25,161,266)	(31,256,867)	(25,161,266)	(31,256,867)
Dividend paid	(197,010,453)	(157,932,467)	(197,010,453)	(157,932,467)
Cash receipt from share subscription as warrants exercised	233,774,900	14,533,500	233,774,900	14,533,500
Net cash flows from (used in) financing activities	201,660,606	(300,189,039)	201,660,606	(300,189,039)
Net increase (decrease) in cash and cash equivalents	127,327,300	(34,413,197)	127,327,300	(34,413,197)
Cash and cash equivalents at beginning of year	131,809,959	166,223,156	131,809,959	166,223,156
Cash and cash equivalents at end of year	259,137,259	131,809,959	259,137,259	131,809,959
Supplemental cash flows information				
Non-cash items				
Undue installments for asset purchases	12,467,337	28,574,695	12,467,337	28,574,695
Outstanding receivable from sale of assets	8,543,236	170,556	8,543,236	170,556
Trade receivables classified as long-term trade receivables	-	8,097,978	-	8,097,978

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

Fortune Parts Industry Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2017

	Financial statements in which equity method is applied						(Unit: Baht)
	Issued and paid-up share capital	Share premium	Advance from share subscription	Appropriated-statutory reserve	Retained earnings	Total shareholders' equity	
Balance as at 1 January 2016	302,952,884	217,947,251	880,150	39,573,191	383,800,262	945,153,738	
Profit for the year	-	-	-	-	285,670,555	285,670,555	
Other comprehensive income for the year	-	-	-	-	(564,430)	(564,430)	
Total comprehensive income for the year	-	-	-	-	285,106,125	285,106,125	
Cash receipt from share subscription as warrants exercised (Note 18)	-	-	14,533,500	-	-	14,533,500	
Additional ordinary shares issued (Note 18)	1,688,206	11,817,444	(13,505,650)	-	-	-	
Dividend paid (Note 23)	-	-	-	-	(157,932,467)	(157,932,467)	
Balance as at 31 December 2016	304,641,090	229,764,695	1,908,000	39,573,191	510,973,920	1,086,860,896	
Balance as at 1 January 2017	304,641,090	229,764,695	1,908,000	39,573,191	510,973,920	1,086,860,896	
Profit for the year	-	-	-	-	204,230,913	204,230,913	
Other comprehensive income for the year	-	-	-	-	(538,862)	(538,862)	
Total comprehensive income for the year	-	-	-	-	203,692,051	203,692,051	
Cash receipt from share subscription as warrants exercised (Note 18)	-	-	233,774,900	-	-	233,774,900	
Additional ordinary shares issued (Note 18)	12,363,150	86,542,050	(98,905,200)	-	-	-	
Dividend paid (Note 23)	-	-	-	-	(197,010,453)	(197,010,453)	
Balance as at 31 December 2017	317,004,240	316,306,745	136,777,700	39,573,191	517,655,518	1,327,317,394	

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



Fortune Parts Industry Public Company Limited
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2017

Separate financial statements						(Unit: Baht)
	Issued and paid-up share capital	Share premium	Advance from share subscription	Retained earnings		Total shareholders' equity
				Appropriated-statutory reserve	Unappropriated	
Balance as at 1 January 2016	302,952,884	217,947,251	880,150	39,573,191	384,490,716	945,844,192
Profit for the year	-	-	-	-	287,273,597	287,273,597
Other comprehensive income for the year	-	-	-	-	(564,430)	(564,430)
Total comprehensive income for the year	-	-	-	-	286,709,167	286,709,167
Cash receipt from share subscription as warrants exercised (Note 18)	-	-	14,533,500	-	-	14,533,500
Additional ordinary shares issued (Note 18)	1,688,206	11,817,444	(13,505,650)	-	-	-
Dividend paid (Note 23)	-	-	-	-	(157,932,467)	(157,932,467)
Balance as at 31 December 2016	304,641,090	229,764,695	1,908,000	39,573,191	513,267,416	1,089,154,392
Balance as at 1 January 2017	304,641,090	229,764,695	1,908,000	39,573,191	513,267,416	1,089,154,392
Profit for the year	-	-	-	-	189,788,674	189,788,674
Other comprehensive income for the year	-	-	-	-	(538,862)	(538,862)
Total comprehensive income for the year	-	-	-	-	189,249,812	189,249,812
Cash receipt from share subscription as warrants exercised (Note 18)	-	-	233,774,900	-	-	233,774,900
Additional ordinary shares issued (Note 18)	12,363,150	86,542,050	(98,905,200)	-	-	-
Dividend paid (Note 23)	-	-	-	-	(197,010,453)	(197,010,453)
Balance as at 31 December 2017	317,004,240	316,306,745	136,777,700	39,573,191	505,506,775	1,315,168,651

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

Fortune Parts Industry Public Company Limited**Notes to financial statements****For the year ended 31 December 2017****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 11 October 2016, 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 statement.

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

The separate financial statements present investments in associates and joint ventures under the cost method.

3. New financial reporting standards**(a) Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are 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, packaging material 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 Investments

Investments in associates and joint ventures are accounted for in the financial statements in which equity method is applied using the equity method.

Investments in associates and joint ventures are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

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

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

4.9 Foreign currencies

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

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

4.14 Fair value measurement

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

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

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

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

5. 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.

Reduction of inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories 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.

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>
Safe Energy Holdings Co., Ltd.	Joint venture
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA	Joint venture
ALP FPI PARTS PRIVATE LIMITED	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.	Company owned by related person of the Company's management
EMP Innovation Co., Ltd. (Formerly known as "United 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
S C G Hatairath Co., Ltd.	Common director and shareholding
Imperial Cable Industry Co., Ltd.	Common shareholding

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)		
	2017	2016	Transfer pricing policy
<u>Transactions with related person and parties</u>			
<u>Sales</u>			
ALP FPI PARTS PRIVATE LIMITED	52,527	1,003	Products: Market price; Mould: Purchase price plus margin 10%
Sangthong Auto Partsworld Co., Ltd.	56,519	59,091	In the range of the average selling price in Asia or within 15% of competitor's selling price
Imperial Cable Industry Co., Ltd.	285	-	In the range of the average selling price in Asia or within 3% of competitor's selling price
Fortune Box Industry Co., Ltd.	28	3	Selling price within 10% of competitor's selling price
Total	109,359	60,097	
<u>Purchases of goods</u>			
Sangthong Auto Partsworld Co., Ltd.	59,767	81,914	OEM: Within (plus or minus) 5% of the prices of other suppliers; Other products: purchased at prices (plus or minus) 20% of the price of other suppliers
Fortune Box Industry Co., Ltd.	25,801	26,027	Purchased at prices of other suppliers to 6% lower than those for other suppliers
S.C.G. Industry Co., Ltd.	899	1,535	Purchased at prices (plus or minus) 2% of the prices of other suppliers
Imperial Cable Industry Co., Ltd.	37	154	Market price
Total	86,504	109,630	
<u>Other expenses</u>			
K-Mart Service Co., Ltd.	337	381	Market price
S C G Hatairath Co., Ltd.	285	369	Market price
ALP FPI PARTS PRIVATE LIMITED	54	-	Market price
S.C.G. Industry Co., Ltd.	8	12	Market price
Super Central Gas Co., Ltd.	-	251	Market price
Total	684	1,013	



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

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
<u>Trade receivable - related parties</u> (Note 8)		
Sangthong Auto Partsworld Co., Ltd.	25,812	30,038
ALP FPI PARTS PRIVATE LIMITED	9,855	532
EMP Innovation Co., Ltd.	6,472	7,122
United Auto Co., Ltd.	6,225	15,159
Fortune Box Industry Co., Ltd.	2	2
Total	48,366	52,853
<u>Other receivable - related parties</u> (Note 8)		
Safe Energy Holdings Co., Ltd.	38,790	-
ALP FPI PARTS PRIVATE LIMITED	11,122	252
Total	49,912	252
<u>Trade payables - related parties</u> (Note 15)		
Sangthong Auto Partsworld Co., Ltd.	12,971	14,659
Fortune Box Industry Co., Ltd.	7,027	8,434
S.C.G. Industry Co., Ltd.	286	320
Imperial Cable Industry Co., Ltd.	17	73
Total	20,301	23,486
<u>Other payables - related parties</u> (Note 15)		
FORTUNE-PARTS INDUSTRY ECUADOR		
CIA.LTDA	8,421	9,230
K-Mart Service Co., Ltd.	62	14
S C G Hatairath Co., Ltd.	53	72
ALP FPI PARTS PRIVATE LIMITED	-	13,364
Total	8,536	22,680
<u>Other non-current assets</u>		
Advance from share subscription	51,724	-

Directors and management's benefits

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

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Short-term employee benefits	28,652	26,749
Post-employment benefits	1,269	670
Total	29,921	27,419

7. Cash and cash equivalents

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Cash	150	150
Bank deposits	258,987	131,660
Total	<u>259,137</u>	<u>131,810</u>

As at 31 December 2017, bank deposits in saving accounts carried interests between 0.10% and 0.375% per annum (2016: between 0.10% and 0.375% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	19,480	14,792
Past due		
Up to 3 months	10,585	15,780
3 - 12 months	5,604	-
Over 12 months	12,697	22,281
Total trade receivables - related parties	<u>48,366</u>	<u>52,853</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	313,419	418,504
Past due		
Up to 3 months	174,906	109,745
3 - 12 months	105,958	138,372
Over 12 months	3,053	24,048
Total	<u>597,336</u>	<u>690,669</u>
Less: Allowance for doubtful accounts	<u>(13,445)</u>	<u>(28,825)</u>
Total trade receivables - unrelated parties, net	<u>583,891</u>	<u>661,844</u>
Total trade receivables - net	<u>632,257</u>	<u>714,697</u>
<u>Other receivables</u>		
Other receivables - related parties	49,912	252
Other receivables - unrelated parties	28,774	1,171
Other receivables from selling equipment	8,543	171
Revenue department receivable	4,748	14,886
Total	<u>92,007</u>	<u>16,480</u>
Less: Allowance for doubtful accounts	<u>(193)</u>	<u>(128)</u>
Total other receivables, net	<u>91,814</u>	<u>16,352</u>
Total trade and other receivables - net	<u>724,071</u>	<u>731,049</u>



9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods (included trading goods)	376,053	297,622	(46,146)	(34,791)	329,907	262,831
Work in process	26,623	27,667	(6,358)	(5,771)	20,265	21,896
Raw materials	73,901	63,990	(16,072)	(11,851)	57,829	52,139
Packaging materials and supplies	23,885	20,732	(2,161)	(1,847)	21,724	18,885
Total	500,462	410,011	(70,737)	(54,260)	429,725	355,751

During the current year, the Company reduced cost of inventories by Baht 34 million (2016: Baht 19 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 17 million (2016: Baht 10 million), and reduced the amount of inventories recognised as expenses during the year.

10. Investments in associates

10.1 Details of associates

On 20 December 2016, a meeting of the liquidators of Safe Energy Group (Narathiwat 1) Co., Ltd., Safe Energy Group (Pattani) Co., Ltd., Safe Energy Group (Songkla) Co., Ltd., and Safe Energy Group (Yala 1) Co., Ltd. approved partial returns of share capital to shareholders, at 75% of capital, or amounts of Baht 3.75 million, Baht 3.75 million, Baht 3.75 million, and Baht 3 million, respectively.

On 23 March 2017, an Extraordinary General Meeting of the shareholders of Safe Energy Group (Narathiwat 1) Co., Ltd., Safe Energy Group (Pattani) Co., Ltd., Safe Energy Group (Songkla) Co., Ltd., and Safe Energy Group (Yala 1) Co., Ltd. approved the return of the remaining share capital to shareholders, amounting to Baht 1.25 million, Baht 1.25 million, Baht 1.25 million, and Baht 1 million, respectively. These 4 associates registered the completion of liquidation processes with the Ministry of Commerce on 28 April 2017.

(Unit: Thousand Baht)							
Associates	Nature of business	Shareholding percentage		Financial statements in which equity method is applied		Separate financial statements	
				Carrying amounts based on equity method		Carrying amounts based on cost method	
		2017 (%)	2016 (%)	2017	2016	2017	2016
Safe Energy Group (Narathiwat 1) Co., Ltd.	Biomass Power Plant	-	25	-	4,710	-	5,000
Safe Energy Group (Pattani) Co., Ltd.	Biomass Power Plant	-	25	-	1,273	-	1,250
Safe Energy Group (Yala 1) Co., Ltd.	Biomass Power Plant	-	20	-	1,018	-	1,000
Safe Energy Group (Songkla) Co., Ltd.	Biomass Power Plant	-	25	-	987	-	1,250
Total				-	7,988	-	8,500

10.2 Share of profit (loss)

During the years, the Company recognised its share of profit (loss) from investments in associates in the financial statements in which equity method is applied as follows:

(Unit: Thousand Baht)		
Associates	2017	2016
Safe Energy Group (Narathiwat 1) Co., Ltd.	1	(290)
Safe Energy Group (Pattani) Co., Ltd.	1	23
Safe Energy Group (Yala 1) Co., Ltd.	-	18
Safe Energy Group (Songkla) Co., Ltd.	-	(263)
Total	2	(512)

11. Investments in joint ventures

11.1 Details of joint ventures

Safe Energy Holdings Company Limited

In February 2017, the Company invested in the ordinary shares of Safe Energy Holdings Company Limited, which was incorporated on 7 February 2017, in order to invest in the biomass power plant business. The Company's interest in this company is 49.98% of the registered share capital, representing a total investment of Baht 0.5 million.



On 13 February 2017, a meeting of the Company's Board of Directors approved an investment in a biomass power plant project of Prize of Wood Green Energy Co., Ltd. by having Safe Energy Holdings Company Limited purchase 99.99% of the registered share capital, representing an investment of not more than Baht 425 million.

On 13 March 2017, an Extraordinary General Meeting of the shareholders of Safe Energy Holdings Company Limited passed a resolution approving an increase in its registered share capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 426 million (4,260,000 ordinary shares of Baht 100 each), through the issuance of 4,250,000 additional ordinary shares with a par value of Baht 100 each for purchasing ordinary shares of Prize of Wood Green Energy Co., Ltd. However, the Company waived its right to subscribe to some additional shares. As a result, the Company's shareholding decreased from 49.98% to 33.37%. During the year, the Company made share payments in proportion to its investment amounting to Baht 142 million.

On 11 August 2017, an Extraordinary General Meeting of the shareholders of Safe Energy Holdings Company Limited passed a resolution approving an increase in its registered share capital from Baht 426 million (4,260,000 ordinary shares of Baht 100 each) to Baht 581 million (5,810,000 ordinary shares of Baht 100 each), through the issuance of 1,550,000 additional ordinary shares with a par value of Baht 100 each to existing shareholders for investment in Bina Puri Power (Thailand) Co., Ltd. and SAFE Biomass Co., Ltd. During the year, the Company made share payments amounting to Baht 52 million. As at 31 December 2017, such payments are presented as "Advance from share subscription" under other non-current assets in the statement of financial position. Safe Energy Holdings Company Limited registered the increase in its paid-up share capital with the Ministry of Commerce on 22 February 2018.

During the year, Safe Energy Holdings Company Limited invested in the following companies:

(Unit: Million Baht)			
Month	Company	Shareholding percentage (%)	Investing amount
June 2017	Prize of Wood Green Energy Co., Ltd.	100	425
July 2017	Bina Puri Power (Thailand) Co., Ltd.	49	31
November 2017	SAFE Biomass Co., Ltd.	100	100
			<u>556</u>

At present, Safe Energy Holdings Company Limited is in the process to complete its assessing the fair value of the assets acquired and liabilities assumed of Prize of Wood Green Energy Co., Ltd., Bina Puri Power (Thailand) Co., Ltd., and SAFE Biomass Co., Ltd. at the acquisition date, in order to allocate costs of the business acquisition to such identifiable items. The assessment process mainly involves the identification and valuation of intangible assets and certain tangible assets. It is to be completed within the period of 12 months from the acquisition date, pursuant to the period allowed by Thai Financial Reporting Standard No. 3 (revised 2016) Business Combinations. However, Safe Energy Holdings Company Limited has assessed the value of the assets and liabilities using the best estimate of facts and circumstances that existed as of the acquisition date in order to preliminary allocate costs of the business acquisition to such identifiable items, which may be significantly different from its complete assessing and require retrospectively adjustments to the provisional amounts recognised at the acquisition date. This may affect share of profit from investments in joint ventures and investments in joint ventures in the financial statements in which the equity method is applied.

ALP FPI PARTS PRIVATE LIMITED

On 31 August 2017, the Annual General Meeting of the shareholders of ALP FPI PARTS PRIVATE LIMITED passed a resolution increasing its registered share capital from INR 200 million to INR 320 million, with the Company's shareholding structure remaining unchanged. During the period, the Company made share payments amounting to INR 52 million.

(Unit: Thousand Baht)								
Joint ventures	Nature of business	Country of incorporation	Shareholding percentage		Financial statements in which equity method is applied		Separate financial statements	
					Carrying amounts based on equity method		Carrying amounts based on cost method	
			2017 (%)	2016 (%)	2017	2016	2017	2016
Safe Energy Holdings Co., Ltd.	Invest in the biomass power plant business	Thailand	33.37	-	157,722	-	142,153	-
ALP FPI PARTS PRIVATE LIMITED	Manufacture and distribution of the automotive replacement parts	India	45.00	45.00	74,527	47,870	77,158	48,769
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA.	Manufacture and distribution of the automotive replacement parts	Ecuador	45.00	45.00	6,527	6,434	7,317	7,317
Total					238,776	54,304	226,628	56,086



11.2 Share of profit (loss)

During the years, the Company recognised its share of profit (loss) from investments in the joint ventures in the financial statements in which equity method is applied as follows:

Joint ventures	(Unit: Thousand Baht)	
	2017	2016
Safe Energy Holdings Co., Ltd.	15,569	-
ALP FPI PARTS PRIVATE LIMITED	(1,732)	(898)
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA.	93	(193)
Total	13,930	(1,091)

11.3 Summarised financial information about material joint ventures

Summarised information about financial position

	(Unit: Million Baht)			
	Safe Energy Holdings Co., Ltd.		ALP FPI PARTS PRIVATE LIMITED	
	2017	2016	2017	2016
Cash and cash equivalent	8	-	4	35
Other current assets	91	-	86	30
Property, plant and equipment	491	-	188	97
Unallocated cost from business acquisition	403	-	-	-
Other non-current assets	11	-	43	-
Current portion of long-term loans	(71)	-	(5)	-
Other current liabilities	(122)	-	(91)	(55)
Long-term loans, net of current portion	(120)	-	(59)	-
Other non-current liabilities	(12)	-	(1)	-
Net assets	679	-	165	107
Shareholding percentage (%)	33.37	-	45.00	45.00
Share of net assets	227	-	74	48

Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

	Safe Energy Holdings Co., Ltd.		ALP FPI PARTS PRIVATE LIMITED	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue	106	-	35	20
Cost of sales	(42)	-	(25)	(14)
Selling and administrative expense	(10)	-	(14)	(8)
Interest expense	(7)	-	-	-
Profit (loss)	47	-	(4)	(2)
Other comprehensive income	-	-	-	-
Total comprehensive income	47	-	(4)	(2)

12. Property, plant and equipment

(Unit: Thousand Baht)

[illegible]



As at 31 December 2017, 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 1,420 million (2016: Baht 1,335 million).

The Company has mortgaged certain property, plant and equipment amounting to approximately Baht 110 million (2016: Baht 124 million) as collateral against credit facilities received from financial institutions.

13. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	<u>2017</u>	<u>2016</u>
Short-term loans - bill of exchange	2.55 to 2.90	239,457	754,816
Short-term loans - letters of credit	SIBOR + 2.00 to 2.30, MMR	60,960	12,710
Short-term loans - packing credit	2.09 to 2.35	650,504	-
Short-term loans - trust receipts	2.33	27,920	-
Total		<u>978,841</u>	<u>767,526</u>

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)

	<u>2017</u>	<u>2016</u>
Trade payables - related parties	20,301	23,486
Trade payables - unrelated parties	182,268	174,885
Other payables - related parties	8,536	22,680
Other payables - unrelated parties	27,909	25,397
Other payables for purchase of equipment	12,467	28,575
Accrued expenses	34,067	37,660
Total trade and other payables	<u>285,548</u>	<u>312,683</u>

15. Long-term loans

(Unit: Thousand Baht)

	Interest rate (% per annum)	Repayment schedule	2017	2016
Facility 1	LIBOR/ SIBOR + 1.50	Monthly installments of principal and interest amounting to not less than USD 270,614 each (2016: USD 293,936 each)	158,504	190,714
Less: Current portion			(88,465)	(109,236)
Long-term loans, net of current portion			70,039	81,478

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

16. Short-term provision

(Unit: Thousand Baht)

	Provision for product warranty
1 January 2016	3,260
Increase during the year	3,453
Utilised	(3,118)
31 December 2016	3,595
Increase during the year	1,181
Utilised	(1,187)
31 December 2017	3,589

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)

	2017	2016
Provision for long-term employee benefits		
at beginning of year	10,485	7,715
Included in profit or loss		
Current service cost	2,387	1,854
Interest cost	303	210
Included in other comprehensive income		
Actuarial (gain) loss arising from		
Demographic assumption changes	507	738
Financial assumption changes	678	(168)
Experience adjustments	(512)	136
Provision for long-term employee benefits		
at end of year	13,848	10,485



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

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Cost of sales and cost of services	1,401	1,112
Administrative expenses	1,289	952
Total expenses recognised in profit or loss	2,690	2,064

For the years 2017 and 2016, the Company does not expect to pay long-term employee benefits during the next year.

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 10.69 years (2016: 11.04 years).

Significant actuarial assumptions are summarised below.

(Unit: % per annum)

	<u>2017</u>	<u>2016</u>
Discount rate	2.50	2.89
Salary increase rate	5.50	5.50
Turnover rate	0 - 39	0 - 53

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation are summarised below.

(Unit: Thousand Baht)

		As at 31 December	
		2017	
		<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate		(1,302)	1,497
Salary increase rate		1,437	(1,279)
Turnover rate		(1,458)	1,040
		2016	
		<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate		(1,016)	1,172
Salary increase rate		1,130	(1,001)
Turnover rate		(1,146)	841

18. Share capital

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.

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

Date of exercise	Number of exercised warrants (Thousand units)	Number of 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
31 March 2016	1,130	1,130	2	5 April 2016	11 April 2016
30 June 2016	4,533	4,533	2	7 July 2016	12 July 2016
30 September 2016	650	650	2	5 October 2016	10 October 2016
30 December 2016	954	954	2	6 January 2017	11 January 2017
Total exercise in 2016	7,267	7,267			

FPI-W1



Date of exercise	Number of exercised warrants (Thousand units)	Number of 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
31 March 2017	8,775	8,775	2	5 April 2017	10 April 2017
30 June 2017	22,684	22,684	2	5 July 2017	11 July 2017
29 September 2017	17,040	17,040	2	4 October 2017	10 October 2017
29 December 2017	68,389	68,389	2	9 January 2018	12 January 2018
Total exercise in 2017	116,888	116,888			

Cash receipts amounting to Baht 137 million from the exercise of rights to convert warrants to ordinary shares on 29 December 2017 were recorded as advance from share subscription.

A reconciliation of the number of warrants is provided below.

(Unit: Thousand Units)

Number of warrants as at 1 January 2016	302,387
Exercised during the year	(7,267)
Number of warrants as at 31 December 2016	295,120
Exercised during the year	(116,888)
Number of warrants as at 31 December 2017	178,232

Reconciliation of number of ordinary shares

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 share capital (Thousand shares)	Issued and paid-up share capital (Thousand Baht)	Share premium (Thousand Baht)
Balance as at 1 January 2016	1,211,812	302,953	217,947
Increase in capital from warrant exercise	6,752	1,688	11,817
Balance as at 31 December 2016	1,218,564	304,641	229,764
Increase in capital from warrant exercise	49,453	12,363	86,543
Balance as at 31 December 2017	1,268,017	317,004	316,307

19. Statutory reserve

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

20. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Cost of trading goods	590,962	535,725
Raw materials and consumables used	524,836	488,051
Salaries, wages and other employee benefits	221,514	205,842
Depreciation and amortisation	210,260	201,936
Freight charges	106,515	86,180
Changes in work in process	1,044	(6,621)

21. Income tax

Income tax expenses are made up as follows:

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Current income tax		
Current income tax charge	35,796	62,661
Deferred tax		
Relating to origination and reversal of temporary differences	(4,158)	(2,685)
Income tax expenses reported in the income statements	<u>31,638</u>	<u>59,976</u>

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

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Deferred tax on actuarial loss	135	141
	<u>135</u>	<u>141</u>



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

(Unit: Thousand Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2017	2016	2017	2016
Accounting profit before tax	235,869	345,646	221,427	347,249
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	47,174	69,129	44,285	69,450
Effect of				
Share of loss (profit) from investments in associates and joint ventures	(2,889)	321	-	-
Non-deductible expenses	(1,852)	900	(1,852)	900
Additional expense deductions allowed	(10,795)	(10,374)	(10,795)	(10,374)
Total	(15,536)	(9,153)	(12,647)	(9,474)
Income tax expenses reported in the income statements	31,638	59,976	31,638	59,976

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

(Unit: Thousand Baht)

	Statements of financial position as at 31 December	
	2017	2016
Deferred tax assets		
Allowance for diminution of inventories	14,147	10,852
Provision for long-term employee benefits	2,770	2,097
Provision for product warranty	718	719
Allowance for doubtful accounts	91	91
Accumulated amortisation - computer software	3	10
Total	17,729	13,769
Deferred tax liabilities		
Deferred revenue from customs duty	10,722	10,682
Adjustment from revaluation according to forward exchange contracts	210	583
Total	10,932	11,265

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

Financial statements in which equity method is applied						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017 (Thousand Baht)	2016 (Thousand Baht)	2017 (Thousand shares)	2016 (Thousand shares)	2017 (Baht)	2016 (Baht)
Basic earnings per share						
Profit for the year	204,231	285,671	1,241,362	1,215,422	0.16	0.24
Effect of dilutive potential ordinary shares						
Warrants	-	-	159,906	178,141		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	204,231	285,671	1,401,268	1,393,563	0.15	0.20



Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share
	2017 (Thousand Baht)	2016 (Thousand Baht)	2017 (Thousand shares)	2016 (Thousand shares)	2017 (Baht) 2016 (Baht)
Basic earnings per share					
Profit for the year	189,789	287,274	1,241,362	1,215,422	0.15 0.24
Effect of dilutive potential ordinary shares					
Warrants	-	-	159,906	178,141	
Diluted earnings per share					
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	189,789	287,274	1,401,268	1,393,563	0.14 0.21

23. Dividend paid

Dividends	Approved by	Number of shares (Thousand shares)	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2015	Annual General Meeting of the shareholders on 4 April 2016	1,212,252	84,857	0.07
Interim dividends on operating results for the six-month period ended 30 June 2016	Board of Directors' Meeting on 10 August 2016	1,217,914	73,075	0.06
Total dividends for the year 2016			157,932	0.13
Dividends for 2016	Annual General Meeting of the shareholders on 4 April 2017	1,219,518	121,951	0.10
Interim dividends on operating results for the six-month period ended 30 June 2017	Board of Directors' Meeting on 9 August 2017	1,250,977	75,059	0.06
Total dividends for the year 2017			197,010	0.16

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	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues	252,455	279,769	1,724,640	1,703,391	2,069	3,181	1,979,164	1,986,341
Segment income	38,158	70,810	398,391	456,443	890	1,144	437,439	528,398
Other income							42,763	42,512
Selling expenses							(124,398)	(101,667)
Administrative expenses							(103,072)	(87,391)
Share of profit (loss) from investments in associates and joint ventures								
which recorded by equity method							13,933	(1,603)
Finance cost							(30,796)	(34,602)
Income tax expenses							(31,638)	(59,976)
Profit for the year							204,231	285,671



Geographic information

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

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Revenue from external customers		
Thailand	254,524	282,950
Saudi Arabia	463,916	509,865
Others	1,260,724	1,193,526
Total	<u>1,979,164</u>	<u>1,986,341</u>

Major customers

For the years 2017 and 2016, 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 2017 amounting to approximately Baht 2 million (2016: Baht 2 million) were recognised as expenses.

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2017, the Company had capital commitments of approximately Baht 19 million (2016: Baht 5 million), relating to the construction of factory and office buildings and the acquisition of equipment.

26.2 Guarantees

As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 6 million (2016: 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, 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 2017				Interest rate (% per annum)
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	
Financial assets					
Cash and cash equivalents	-	259	-	259	0.10 - 0.375
Trade and other receivables	-	-	724	724	-
Total	-	259	724	983	
Financial liabilities					
Short-term loans from financial institutions	918	61	-	979	2.09 - 2.90
Trade and other payables	-	-	286	286	-
Long-term loans	-	159	-	159	2.917 - 3.154
Total	918	220	286	1,424	



(Unit: Million Baht)

As at 31 December 2016				
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Interest rate (% per annum)
Financial assets				
Cash and cash equivalents	-	132	-	0.10 - 0.375
Trade and other receivables	-	-	731	-
Total	-	132	731	863
Financial liabilities				
Short-term loans from financial institutions	755	13	-	2.55 - 2.90
Trade and other payables	-	-	313	-
Long-term loans	-	191	-	2.028 - 2.823
Total	755	204	313	1,272

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 2017			
Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	17	7	32.43 - 32.85

As at 31 December 2016			
Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	18	7	35.57 - 36.00

Forward exchange contracts outstanding are summarised below.

As at 31 December 2017			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4	32.42 - 34.04	January - June 2018

As at 31 December 2016			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4	34.79 - 36.00	March - June 2017

27.2 Fair values of financial instruments

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

28. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the financial statements in which the equity method is applied's debt-to-equity ratio was 1.11:1 (2016: 1.23:1) and the Company's debt-to-equity ratio was 1.12:1 (2016: 1.23:1).

29. Event after the reporting period

On 27 February 2017, a meeting of the Company's Board of Directors passed the resolutions to pay a dividend of Baht 0.04 per share for the year 2017, totaling Baht 53 million. This resolution will be proposed to the Annual General Meeting of shareholders for approval.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2018.



Audit Fee and Non-Audit Fee

1. Audit Fee

FPI and its associates, joint ventures paid the audit fee to: EY Office Limited, which is the auditor of Company amounting to 1,955,997.66 Baht. Of this amount FPI paid for audit fee of the Company amounting 1,900,000 baht and audit fee of joint venture amounting to US Dollar 1,650.

Audit Fee		(Baht)
Audit fee of the Company	1,900,000	Baht
Audit fee of joint venture	1,650	Dollar US
Amount	1,955,997.66 Baht	

2. Non-Audit Fee

- The Company engaged the accounting, finance and tax services of EY Corporate Services Co., Ltd., and agreed to pay for such the total service fee of Baht 1,525,000. The Company already paid Baht 1,120,416.67 in the year 2017 and paid for travelling total amount 3,342 Baht.
- The Company paid other fees to EY Office Limited, such as travelling and photocopies expenses total amount 127,085 Baht.



“We are selling automotive parts around the world”



automechanika

automechanika

MIDDLE EAST



“Giving the Most Innovative for Sustainable Growth”



Market place

- ✓ Profitability Ratios
- ✓ Customer Satisfaction
- ✓ Business chain management
- ✓ Innovation
- ✓ Risk Management
- ✓ Corporate Governance



Work Place

- ✓ Safety and Environment
- ✓ Training
- ✓ Fair Labor Practices
- ✓ Human Rights



Community

- ✓ Participation
- ✓ Community and Social Development
- ✓ Networking with government agencies



Environment

- ✓ Water Management
- ✓ Energy Management
- ✓ Legal compliance
- ✓ Air Pollution Management
- ✓ Waste Management



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

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

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

Tel: 662-993-4970-7 Fax : 662-993-4978-9 E-mail: ir@fpi.co.th