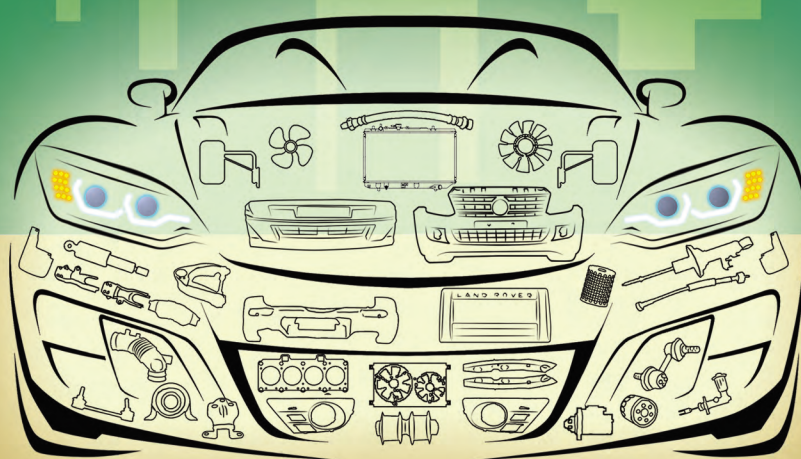


บริษัท ฟอจูน पार्ट อินดัสตรี จำกัด (มหาชน)
FORTUNE PARTS INDUSTRY PUBLIC COMPANY LIMITED



2018

ANNUAL REPORT รายงานประจำปี 2561



"Giving Sustainable Growth"



Committed to creative business,
design process and manufacture development,
FPI is the leader in the automotive parts industry for export.
The company's performance keeps growing annually



- ✓ FPI ranked one of the top five in the automotive parts manufacturing market for the Japanese and Korean brands. The product quality is comparable to the world's leading automotive parts companies
- ✓ FPI produces automotive parts for car manufacturers or OEM.
- ✓ FPI produces replacement auto parts from plastic or REM. The product delivers within a day
- ✓ FPI manufactures automotive replacement parts for cars around the world. Annually, the trend is growing.
- ✓ FPI is a "one-stop-service" center for automotive spare parts with the comprehensive production process

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Vision Mission & Business Strategy

Vision



"We are one of the leading plastic automotive parts manufacturer as well as the hub of the automotive parts distribution and expansion of the business lines that are environmental friendly for sustainable growth"



Mission

The company has an operational plans and organization management to achieve their goals by adhere to the business practices since the company's establishment to now, which is



"Giving Sustainable Growth", provides sustainable growth by implementing seven main policies:

F P I C O S A as details below:

Forever Continuous Improvement

Continuously develop and create new innovation to add value to the products

Producing Quality Products

Produce quality and environmental friendly products

International Penetration

Expand the worldwide market through distribution channels

Customer Satisfaction

Create highest satisfaction to customers, employees and stakeholders.

On Time Delivery

Deliver product on time

Sustainability Development

Create a sustainable society, business and stakeholders by using good governance and anti-corruption principles.

Alliance

Continuously build business alliances and develop partnership to cover all business chain





Vision Mission & Business Strategy

Objectives and Goals

Fortune Parts Industry Public Company Limited focuses on sustainable growth by promoting innovation and technology, as well as being aware of social and environmental responsibilities that businesses have the possibility to create both direct and indirect impacts, with the purpose of creating a balance between the economic growth of the business and the environmental conservation. For taking care of the community and society, the company aims to build Eco Operation Excellence, which the major details could be summarized as below;

Business Goals

Creating Sustainable Performance Excellence The company operates its core business as a manufacturer and distributor of complete automotive parts, consisting of Replacement Equipment Manufacturing (REM), spare parts produced for manufacturers which are Original Equipment Manufacturing (OEM), products purchased for resale (Trading), services; plastic injection, painting, provide rental equipment; molds, and selling other products such as plastic bean and packaging. The company has product distribution channels covering 137 countries around the world, with reputation and trusted in company's products and services of more than 800,000 business partners and customers. The company expected growth is to have Baht 3,000,000,000 of revenue by 2023. The company focuses on building a business network that could supports stable and sustainable growth of the company in expanding its customer base to Australia and Africa. Moreover, the company has invested in Safe Energy Holdings Company Limited ("SAFE") and Price of Wood Green Energy Limited in the biomass power plant business.

Operating according to the principles of good corporate governance and business ethics The company operates in accordance with the principles of corporate governance, anti-corruption, business ethics, risk management and management compliance with relevant laws and regulations of the Stock Exchange of Thailand in disclosing transparent and auditable business information. Furthermore, the company promotes the innovation culture in the organization, which will lead to being an innovative organization; both in the creation of new products (Product Innovation), creating new service innovations and creating new processes (Process Innovation), which will support the development of innovator who can integrate innovation with the effective management system.

Environment and Society Goals

Creating value for the environment The company operates on the basis of environmental and social responsibility by recognizing the importance of reducing the environmental impact caused by business operations, products and services. Throughout the past operation, the company has promoted the development of production processes, innovation to reduce the potential impact to the environment. The company set up an objective to use natural resources with value and reduce the use of limited natural energy. What is more, the company prepare the plans and measurements to participate in solving the failure of climate change which is currently ranked as top five world's risk in 2019. In the impact and opportunity perspective, by comparing with 2015, the company has set a goal to reduce the amount of energy consumption per production unit by 10 % within 2019, reduce greenhouse by 10% of production unit within 2020, and reduce water usage by 10% of production unit within





Vision Mission & Business Strategy

2021. The company tied up this plan with the annual performance of the head of the department and higher to show the organizational commitment to respond to the global average temperature control of no more than 2 degrees Celsius increase. Furthermore, the company applies 17 sustainable development goals of the United Nations to develop the business into a low-carbon business, promotes employment of disadvantaged and disabled people by hiring them as an employees and support local workers to participate in such activities.

Creating value for society The company operates on the basis of living happily with the community and society by focusing on creating educational and career opportunities for youth groups, especially in vocational education, to have knowledge, self-reliance, strength and ability to live on their own, and to promote the employment of disadvantaged and disabled. The company hires those people as a regular employees and supports the employment of local workers. The company also focuses on working processes with business partners in promoting health for cancer patients and promoting various activities of communities both around the company and in other areas according to the company policy and the development direction of the government and community to improve the quality of life, health and economy of the community in a sustainable way.

Sustainable Development Strategies

The company perceives an importance of the organization sustainable growth in raising the standard of the automotive parts industry that is environmental friendly for managing to the world's standard level in creating competitive advantages. The company is taking into account the valuably use of natural resources in business management in order to achieve the organization's objectives in driving the business towards Eco Operation Excellence. The company has set the direction and strategy as a framework for the operation and regularly follow up to achieve the organization's objectives, which is including the following strategies;

H I C

1.) Human Capital Development

Develop strategic human capital to be competent and competitive to become a major capital contributing to sustainable growth

Recruit human resources that are willing to work, having a sense of partnership and having opportunities of the career path in the organization to develop values and enhance skills of the human capital, following the dimension of quality, productivity, innovation and environmental and social responsibility to create the benefit of human capital utilization which could lead to create knowledge management in the organization and the exchange of knowledge transfer from both within and outside the organization and leads to a learning organization.





Vision Mission & Business Strategy

2.) IT for Corporate Sustainability

Develop strategic technology to create a balance between human resources and technology, leading to the development of a sustainable management system

Develop innovation and technology in the system and develop data storage tools, more efficiently prepare for higher competition in the future and help Decision Support System for executives to drive both efficiency and growth of the business firmly.

3.) Sustainability Culture

Create a strategic sustainability culture to create balance that businesses can adapt to the rapidly changing context

Create opportunities for businesses to systematically grow and manage business risks in the future to ensure that they are able to achieve the goals both in the short and long term, covering political, technological, economic, legal, social and environmental dimensions including promoting the analysis of the causes of driving forces, risks and related opportunities for sustainability.

FPI SUSTAINABILITY STRATEGY





Vision Mission & Business Strategy

CORE VALUE

The company has reviewed the core values to ensure it is in line with the diverse business practices. The company also focuses on the development of business and social innovation that is environmental friendly in maintaining a balance between economic growth and environmental protection according to the objectives of organizations to create Eco Operation Excellence

T A L E N T S for Sustainable Innovation

Teamwork

Leadership

Noble

Synergy

T

A

L

E

N

T

S

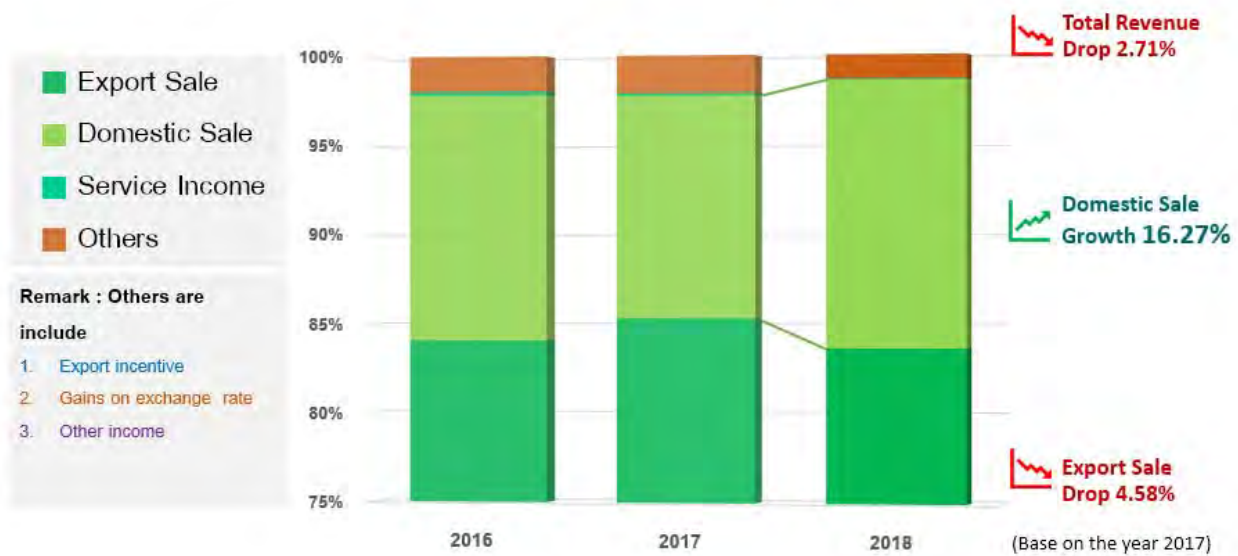
Autonomous

Environment

Transformation

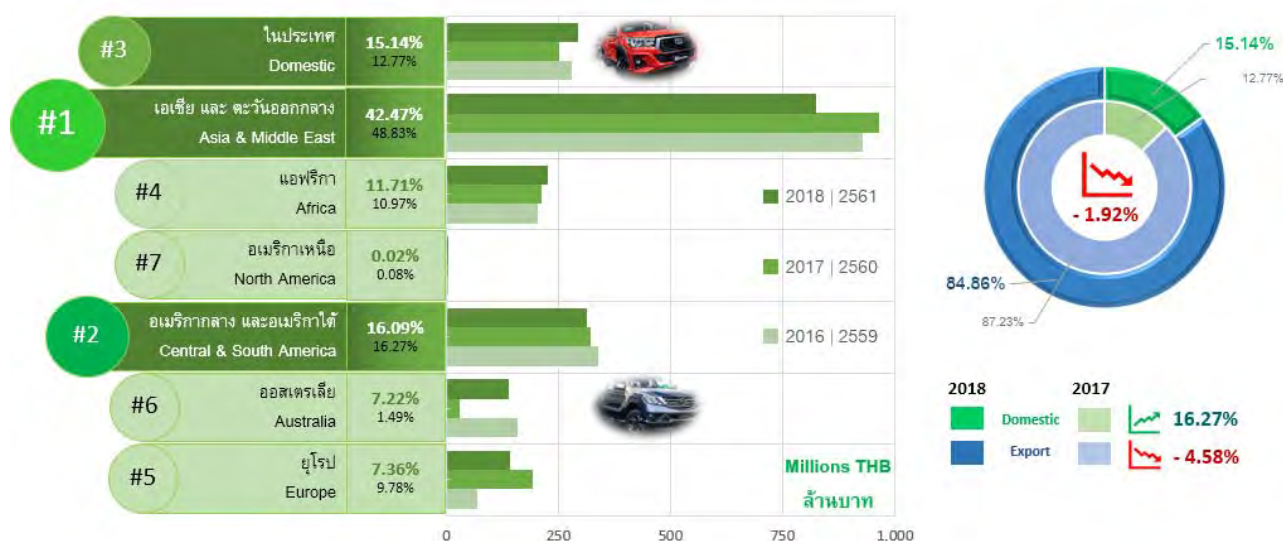
Financial Highlights

Total Revenues (Unit: Million Baht)



Financial Highlights

Total Revenues from Sales by Zone (Percent)



Total Revenues by Product categories (Unit: Million Baht)



Statement of Financial Position (Unit: Million Baht)

	2016	2017	2018
Total Assets	2,428.73	2,783.15	2,559.49
Cash and cash equivalents	131.81	259.14	87.94
Trade and other receivables	731.05	724.07	678.06
Inventories	355.75	429.72	434.61
Other current assets	62.48	62.70	47.74
Property, plant and equipment	1,068.16	1,020.62	1,002.74
Other non-current assets	79.48	286.90	308.40
Total Liabilities	1,339.58	1,467.98	875.97
Non-current liabilities	1,247.62	1,384.09	774.58
Current liabilities	91.96	83.89	101.39
Shareholders' equity	1,089.15	1,315.17	1,683.52

Financial Highlights

Financial Ratio	2016	2017	2018
Current ratio (times)	1.03	1.07	1.61
Gross profit ratio (%)	27.04	22.93	18.95
EBIT margin (%)	18.74	13.00	8.93
EBITDA margin (%)	29.39	23.60	19.81
Net profit margin (%)	14.08	9.96	6.56
Return on Assets (%)	15.89	10.21	4.83
Return on Equity (%)	28.12	16.92	8.61
Debt to Equity ratio (times)	1.23	1.11	0.52

Dividend Payment

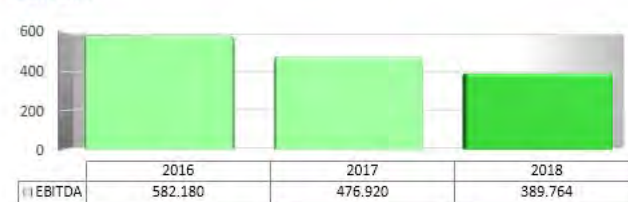
Year	1st Half	2nd Half	Full Year	Earning Per Shares (Baht/Share)	Dividend payout ratio (%)
2018	0.04	0.04	0.08	0.09	95.00
2017	0.06	0.04	0.10	0.15	67.71
2016	0.06	0.10	0.16	0.24	67.89



D/E Ratio (x)



EBITDA





Awards and Recognitions

Prime Minister's Business Enterprise Award 2018

Category: Best Exporter in 2018

from Prime Minister Prayut Chan-o-cha



Prime Minister's Business Enterprise Award 2018

Category: Best Thai Brand in 2018

from Prime Minister Prayut Chan-o-cha



SET Outstanding Sustainability Awards 2018:

Mai-listed companies Industrial products



Rising Star Sustainability Awards 2018

form SET Awards 2018



Awards and Recognitions

Heat and Electrical Facilitator 2018



Award and certificate for the Heat Facilitator project and Electric Facilitator project following the energy conservation plan of 2015-2036

Eco Label



Certificate of Eco label in Carbon footprint reduction for the product label of CFO, CFR and CFP.



Major Events and Activities in 2018

Major events and activities in 2018 of the company and joint venture



Prime Minister's Business Enterprise Award 2018

Categories: Best Exporter and Best Thai Brand in 2018
from Prime Minister Prayut Chan-o-cha



Participation in Award Activities SET Outstanding
Sustainability Awards 2018: Mai-listed companies
Industrial products



Thailand Sustainability Investment (THSI 2018)



Project "Together...Change life of
13,000 cancer patient"



Major Events and Activities in 2018



Trade show: TAPA 2018 Bangkok International ศูนย์
Trade & Exhibition Centre
4-7 April 2018



Annual Shareholders' Meeting 2018, 25 April 2018
at the Emerald hotel, Panorama 1 Room, 14th floor,
99/1 Ratchadapisek Road, Din Daeng, Bangkok 10400



FPI-TSE: Press Conference on 26 April 2018
TSE and FPI Joint Venture for Solar Farm in Japan



Extraordinary General Meeting No. 1/2018,
19 June 2018 at 14.01
at the Emerald hotel, Petchchompu Room, 3th floor,
99/1 Ratchadapisek Road, Din Daeng, Bangkok 10400



Major Events and Activities in 2018



mai FORUM 2018

01 July 2018 Centara Grand @CTW 22th Floor



Green Industry level 4

On 21 May 2018, the company worked with Ministry of Industry and Thailand Environment Institute for an in-depth consultation project for the establishment of Green Industry.



Care the Bear

17 July 2018

Announce to participate in the “Care the Bear: Change the Climate Change by Eco Event” project at the Stock Exchange of Thailand (SET) with 22 alliance organizations.



SET Social Impact “GYM”



Major Events and Activities in 2018



Water Footprint

3 August 2018

Join the discussion on the direction of the evaluation of Water Footprint in Thailand and receive a certification for the participating factories.



100 Hearts to reduce Global warming

19 September 2018



Anti Corruption Seminar 13 - 14 October 2018



T-VER

19 October 2018 participate in the support project for validation by external evaluators under the T-VER program for the budgeted year of 2019.



FPI Opportunity Day Quarter 3

15 November 2018



Major Events and Activities in 2018



Kathin Ceremony

Po-Sri-Chan temple, Sakonnakorn

On 18 November 2018



CSR CLUB 7 December 2018

Co-speakers in CSR Club Conference 2018

In the award ceremony of sustainability



Merit for the year 2018

On 25 December 2018



Message from Chairman of Executive Committee and Managing Director



Dear Shareholders,

In 2018, the automotive parts manufacturing industry has risk factors that affect the major driving forces which are in the same direction as the global automotive industry including

technological changes, future risks and impacts from greenhouse gas emissions. This contributes to climate change in ecosystems and threats to living organisms' health. The company is continuously aware of such importance and therefore, apply the uses of technology and innovation in business and society. This is to create value added for the business and create engagement with stakeholders throughout the value chain and to maintain a balance between economic growth and environmental protection. It is in accordance with the organization's objectives in creating Eco Operation Excellence with the

purpose of raising the standard of the automotive parts industry in Thailand in producing environmental friendly products and develop into low carbon business.

For responding to crucial sustainability material issues, as well as future challenges, the company has established a sustainable development strategy. The goal is to drive the business to the Eco Operation Excellence which consists of

- 1.) Sustainability Culture which focusing on business to be able to adapt to the context that is rapidly changing in terms of technology, economy, social and environment.
- 2.) Human Capital Development that focuses on the development of personnel by developing knowledge, skills, as well as building potential to become a significant capital that leads to sustainable growth of the company.
- 3.) IT for Corporate Sustainability by setting up a system and developing tools for data storage, use of resources that cover the entire organization, which could lead to the development of innovation and technology that increase operational efficiency and help support decision-making information for executives.

In addition, the company sees the importance of good corporate governance and the development of employees' capability through cooperation projects with business alliances and partners, as well as, specialists and experts from educational institutions by preparing a skills development training courses to prepare and grow in the career path. Also, have a plan for succession in the position and build environment that encourages innovation and technology for continuous development. The company has also joined the Thai Private Sector Collective Action Network to combat corruption by reviewing the anti-corruption and business ethics policy. Furthermore, the company reviews





Message from Chairman of Executive Committee and Managing Director

policy and work structure for administration to ensure it is flexible in applying policies to employees at all levels in the company. The purpose is to create sustainable growth for the organization in both economic, and social and environment dimension to have a stable return with transparency that can be auditable, and build confidence among the stakeholders of the company both present and future's groups.

During the previous year, the company's revenue decreased 2.71% due to the decrease in export sales of 4.58%. This is mainly because of the credit control policy of the Middle East customers (GCC) to control the allowance for doubtful account since in there is 5% increase in VAT in those countries. The domestic sales increased by 16.27% since the company is trusted by automotive manufacturers such as Toyota, Isuzu, Mazda, and Mitsubishi from having complete production process.

The results of the commitment to operate the business by following international standards for global sustainability and 17 sustainable development goals of the United Nations, the company was selected by the Stock Exchange of Thailand to be listed on the Thailand Sustainability Investment (THSI) list for the second consecutive year. Also the Outstanding Sustainability Awards which are awards for listed companies for outstanding sustainability. In addition, the company received awards from the Prime Minister for the Best Exporter Award and the Best Thai Brand. Furthermore, the company was selected to participate in a

project for promoting industrial factories in Thailand to assess water consumption throughout the product life cycle according to ISO 14046 (Water Footprint). What is more, the company is the first company in automotive parts industry that has received the Carbon Reduction Label certification (CFR) for plastic injection molding services, and carbon footprint labels (CFP) for plastic plating and painting services in Thailand.

Finally, I, as the Managing Director of the company, would like to thank all the management and all employees for their dedicated and hardworking, for driving the company to move strength and sustainably forward. Moreover, I would like to thank all shareholders, trade partners, financial institutions, as well as stakeholders who have trusted and always supports. 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

General Company Information



Company Name	: Fortune Parts Industry Public Company Limited
SET Symbol	: FPI
Registration No.	: 0107547000508 Head Office
Business Type	: Designing & producing automotive parts, designing product and produce mold for plastic parts, provide injection, chrome plating, painting and assembly 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	: Baht 378,659,541.75 with a par value of Baht 0.25
Paid-up Capital	: Baht 378,257,483.50 with a par value of Baht 0.25
Company's Secretary	: Mr. Sarayuth Ouybuan Telephone :0-2993-4970-77 ext. 108 e-mail : sect@fpi.co.th , sarayuth@fpiautoparts.com
Investor Relation	: 1. Mr. Sompol Tanadumrongsak Telephone 0-2993-4970-77 ext. 200 e-mail: ir@fpi.co.th 2. Mrs. Nussara Tanadumrongsak Telephone 0-2993-4970-77 ext. 100 e-mail: ir@fpi.co.th 3. Mr. Sarayuth Ouybuan Telephone 0-2993-4970-77 ext. 108 e-mail: ir@fpi.co.th 3. Mr. Kowit Akkharaatimart Telephone 0-2993-4970-77 ext. 112 e-mail: ir@fpi.co.th

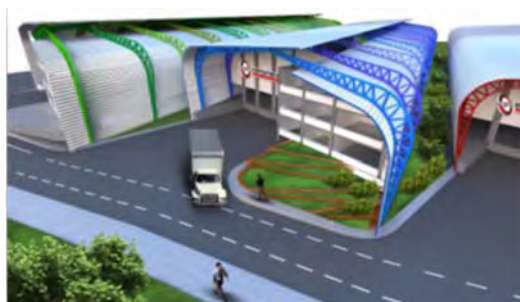


General Company Information

Information of Joint Venture and Associate Companies

Joint Venture Companies

Company Name	:	FORTUNR-PARTS INDUSTRY ECUADOR CIA.LTDA.
Business Type	:	Designing, producing and wholesaling automotive parts and accessories in South America
Head Office and Factory	:	S/N KM 7 1/2 PANAMERICANA, SECTORSAMANGA,UNAMUNCHO, AMBATO, TUNGURAHUA, ECUADOR
Registered Capital	:	USD 500,000



Company Name	:	ALP FPI PARTS PRIVATE LIMITED
Business Type	:	Designing, producing and wholesaling automotive parts and accessories in India
Head Office and Factory	:	25/31, East Patel Nagar, New Delhi 110008 in the State of NCT of Delhi
Registered Capital	:	INR 320,000,000



Company Name	:	Safe Energy Holdings Company Limited
Business Type	:	Biomass Power Plant Project
Head Office	:	11/22 Moo 20 Nimitmai Road, Lamlukka, Lamlukka, Pathumthani
Registered Capital	:	Baht 581,000,000 with a par value of Baht 100



General Company Information

Others Reference



Thailand Securities Depository

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

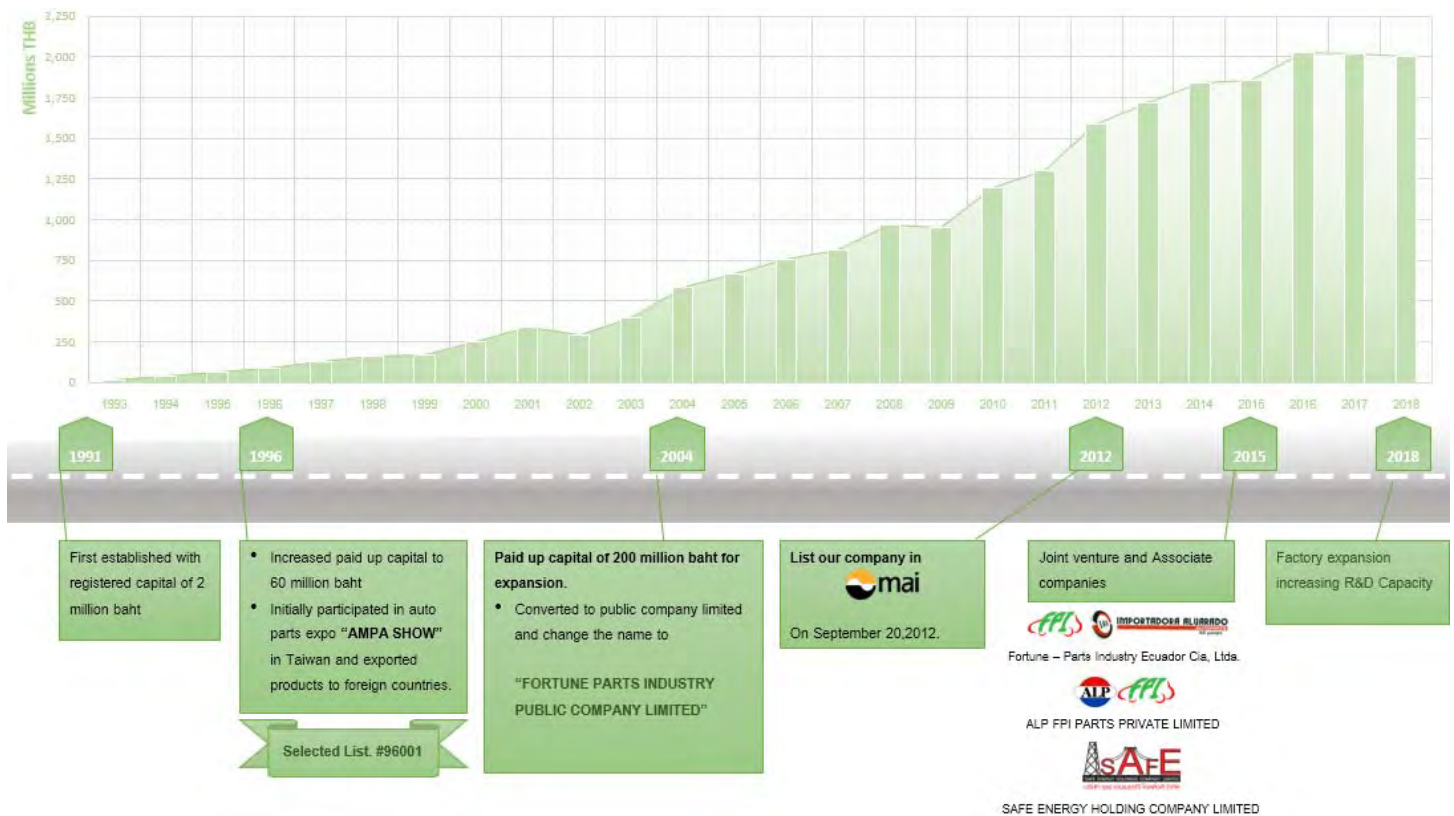


Legal Advisor	Dej-Udom & Associates Ltd.
Address	942/142-3 Chan Issara Tower I, 9/FL., Rama IV Road, Bangkok 10500
Telephone	0-2233-0055, 0-2233-0068
Facimile	0-2236-6681
Website	www.dejudomlaw.com



Company Background

Major development of the company in the past years can be classified as follows:



Year

Milestones

1991	<ul style="list-style-type: none"> Fortune Parts Industry Public Company Limited ("The Company") was registered under the name of "Fortune Parts Industry Co., Ltd." with an initial capital of Baht 2 million by Tanadamrongsak Family on 26 November 1991. To commence its operation, the company imported two models of auto part molds from Republic of Taiwan and commissioned other factories to produce the parts for the Company to sell to domestic clients.
1993	<ul style="list-style-type: none"> Increased paid up capital to Baht 20 million for importing 20 molds from Profortune Industry Company Limited who is the manufacturer of automotive parts in the Republic of Taiwan. The imported molds are used to manufacture grille, bumper and others plastic automotive parts.
1994	<ul style="list-style-type: none"> Increased paid up capital to Baht 40 million, which Profortune Industry Company Limited from Republic of Taiwan invested in the company by holding 25% of total paid up capital.

Company Background

1996	<ul style="list-style-type: none"> Increased paid up capital to Baht 60 million as a working capital in the company and prepare for the expansion of the business which was having continuous growth. Moreover, the company began to produce molds by hiring specialist from the Republic of Taiwan to work with the company. The company is fully in the manufacturer of automotive plastic business, including injection, plating, chrome painting and assembly plastic parts as well as design and build molds. Initially participated in auto parts expo “AMPA SHOW” in the Republic of Taiwan and exported products to foreign countries.
2001	<ul style="list-style-type: none"> Increased paid up capital to Baht 80 million to purchase land of 11 rais 60 square wah for building a factory at Lamlukka klong 7 to expand its production base prepared for foreign customers expansion.
2002	<ul style="list-style-type: none"> Relocated operations from Lamlukka Klong 4 to Lamlukka Klong 7 offering the usable area of 16,000 square meters.
2004	<ul style="list-style-type: none"> Restructured the company’s shareholders as Profortune Industry Co., Ltd. sold the business by sold the shares back to Tanadumrongsak family. Transformed into public company limited and changed the name to Fortune Parts Industry Public Company Limited
2004-05	<ul style="list-style-type: none"> Increased Paid-up capital to Baht 200 million to fund further business expansion: Built factory and warehouse on area of 14 rais 1 ngan 28 sqaure wah, totally 25 rais 1 ngan 88 square wah (useable area of 48,000 square meter) for expanding all production processes. Invested in an 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, to prepare for OEM customers which could increase the capacity of painting process 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 (Germany) for improving its quality from REM quality to OEM 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 a 1,800 square-meter depot for raw material storage to accommodate the production growth. Invested in 4 injection machines, total 20 injection machines which increased its capacity to 4,103 tons per year.



Company Background

2011

- 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 of 28 rais 4 square wah prepared for automotive customers' demand and separated OEM and REM customers.
- Invested in a plastic injection 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 Baht 295 million by issuing 95 million shares, with a par value of Baht 1.00 which can be allocated as follows:
 - 32,000,000 common shares to existing shareholders, which already allocated. Therefore, the company had paid up capital of 232,000,000 shares
 - 63,000,000 common shares offer to initial public offering in which 3,000,000 common shares offer to the company's directors and employees, and 60,000,000 offer to general public.

2012

- Acquired a plot of land nearby: 4 rais to prepare for continuous improvement expansion of production, research & development and mold makings area.
- Acquired a plot of land of 1-2-99 rais to build a new office building.
- First Day Trade in Stock Exchange of Thailand for Market for Alternative Investment (MAI) on 20 September 2012.

2013

- Built Engineer Building for 30% expansion capacity of injection mold
- Expansion capacity for injection, for production bumpers.
- Expand VACCUM plating process to accommodate growth in production lamps.
- Built new office, 80% progress
- Built new warehouse, more than 20% progress
- Increase capital of Baht 25 million, from Baht 295 million to Baht 320 million by issuing new ordinary shares of 25 million shares at par value of Baht 1.00 to support the conversion of convertible debenture.

2014

- Built new office and showroom with almost 100% progress
- Built new warehouse, more than 80% progress
- Changed the Issued and paid-up share capital from Baht 295 million to Baht 301 million at par value Baht 1.00 due to foreign fund exercised the right to convert the convertible debentures to common stock.
- Change par value of Baht 1.00 per share to the new par value of Baht 0.25 per share with registered shares of 320 million shares to 1,280 million shares and paid-up capital of 300.60 million shared to 1,202.38 million shares.
- Invested in the Joint Venture, namely "Fortune-Parts Industry Ecuador Cia, Ltda. Located in Ecuador, for 45% of the registered capital of USD 500,000 representing the investment of USD

Company Background

2015

225,000. The investment objectives is to accommodate future growth related to production, and distribution of automotive parts and accessories in South America.

- Increase 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 USD 500,000 to Fortune-Parts Industry Ecuador CIA, LTDA. Located in Ecuador representing a total investment of USD 225,000.
- Issuance and offering warrants (FPI-W1) by 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 is 1 warrant per an ordinary share, and exercise price is Baht 2.
- Construction of office building, showroom and warehouse building are completed.
- Increase capacity by adding an injection mold machine of 2,500 tons and 1,000 tons for increasing the production capacity of plastic bumper and grille groups.
- Enhance chrome plating process to increase production effectiveness and quality, giving rise to a market segment of OEM.
- Signed a Memorandum of Understanding (MOU) for cooperation in the biomass power plant of up to 120 MW. Also, the company established four companies in which each company has a registered capital of Baht 20 million and the company has paid the amount of Baht 4.75 million.
- Signed a Memorandum of Understanding (MOU) on cooperation in India to establish a Joint Venture ALP FPI PARTS PRIVATE LIMITED in order to expand the production of the OEM which is considered to be large and has high growth rate.

2016

- Decreased 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 for the total of 4 companies:
 - Safe Energy Group (Narathiwat 1) Co., Ltd.
 - Safe Energy Group (Yala 1) Co., Ltd.
 - Safe Energy Group (Pattani 1) Co., Ltd.
 - Safe Energy Group (Songkhla) Co., Ltd.

FPI investment in 4 associates companies at 25, 20, 25, 25, respectively.
- Signing Memorandum of Understanding (MOU) with
 - Sriwattana Green Power Co.,Ltd. ("SGP")
 - Srijaroen Bio Power Co.,Ltd. ("SBP")
 - 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, the operation of the biomass power plants is in Burirum province



Company Background

2017

with installation capacity at 9.9 MW each. Prize operates the biomass power plants in Narathiwat province with installation capacity at 7.5 MW each.

- To dissolve the investment with the following companies;
 - Safe Energy Group (Narathiwat 1) Co., Ltd. held 25.00% by FPI
 - Safe Energy Group (Yala 1) Company Limited held 20.00% by FPI
 - Safe Energy Group (Pattani) Company Limited held 25.00% by FPI
 - Safe Energy Group (Songkhla) Company Limited held 25.00% by FPI

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. The register of the companies' liquidation was on 15 December 2016.

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

- Invest in the new associate company, namely SAFE Energy Holdings Company Limited located in Thailand that registered to invest in biomass power plant. Incorporated and registration on 7 February 2017 with registered capital of Baht 1,000,000. The company holds 49.98% of the registered share capital.

- On 13 February 2017, the meeting of the company's Board of Directors had a resolution to 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 to approve 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



Company Background

2018

(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 land of 6 rais with the total investment of Baht 35.65 million. The transfer ownership of 4 rai which accounting for Baht 22.94 million to expand the production lines.
- Invested in the construction of engineering building of 6,400 square meter, and the value of the construction is Baht 64.13 million. The building will be used for producing mold and mold storage.
- Install solar rooftop of 0.92 MW to use the solar energy in the production process. Green Yellow Co., Ltd. is the investor and sell the electricity with discount of 23.5% for 20 years.
- **Condensate Return System** which could reduce water usage of 4,468 m3 per year and LPG usage of 23,822.18 kilogram per year and biomass fuel usage of 145,566.08 kilogram per year.
- Set up **Screw Air Compressor** which could decrease the use of electricity of \$185,472 (kWh/year)





Business Structure of FPI Group

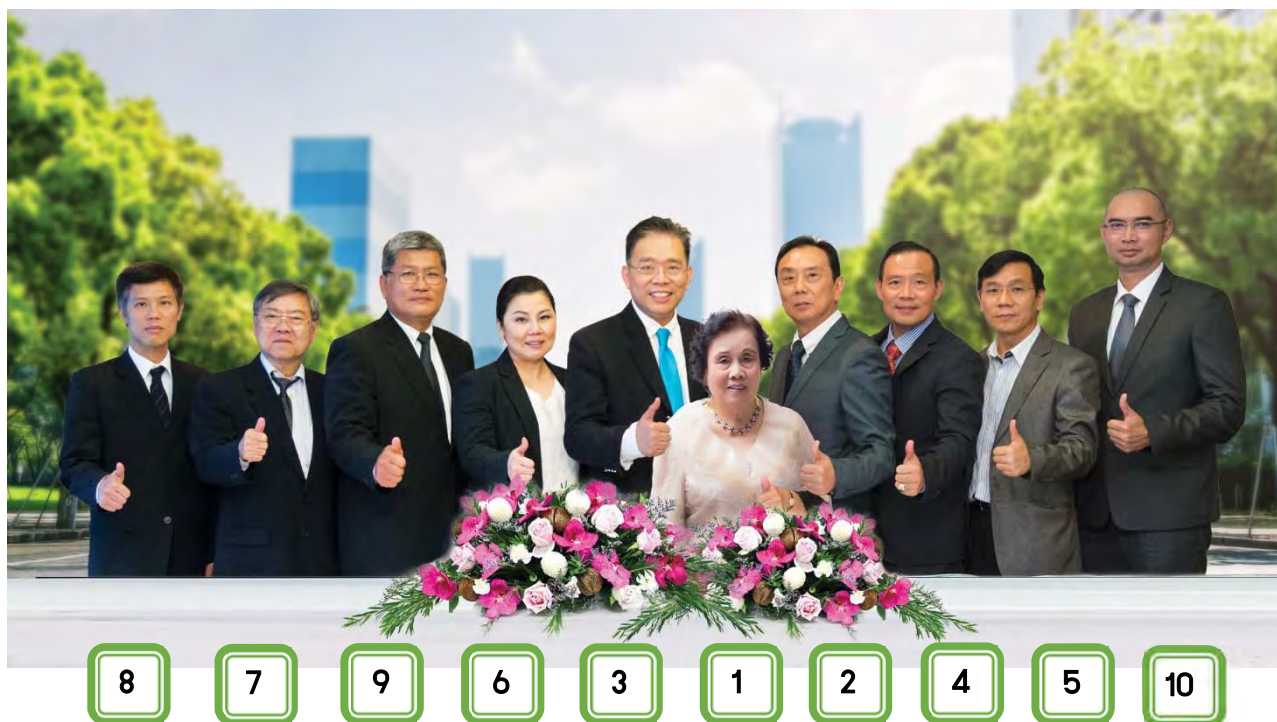
Fortune Parts Industry Public Company Limited

Joint venture Company

Company Name	Holding Proportion (%)
FORTUNE-PARTS INDUSTRY ECUADOR CIA, LTDA.	45
ALP FPI PARTS PRIVATE LIMITED	45
Safe Energy Holdings Company Limited	33.37



Board of Directors



1. Mrs. Raweewan Mathong Chairman of the Board	2. Mr. Sangcharean Tanadumrongsak Vice Chairman (Authorized Director)
3. Mr. Sompol Tanadumrongsak Director, Chief Executive Officer, Director of Corporate Governance and Sustainable Development, Vice Chairman of the Risk Management Committee, Vice Chairman of Anti-Corruption, Managing Director, Investor Relation (Authorized Director)	4. Mr. Yanyongchai Tanadumrongsak Director (Authorized Director)
5. Mr. Somkit Tanadumrongsak Director (Authorized Director)	6. Mrs. Nussara Tanadumrongsak Director, Executive Vice President, Director of Corporate Governance and Sustainable Development, Director of the Risk Management Committee, Anti-Corruption Group, Investor Relation (Authorized Director)





Board of Directors

7. Mr. Anant Gatepithaya Independent Director, Director of Audit Committee, Director of Nomination and Remuneration, Chairman of Risk Management Committee, Chairman of Anti-Corruption	8. Mr. Pumipat Sinacharoen Independent Director, Director of Audit Committee, Chairman of Nomination and Remuneration Committee, Vice Chairman of Corporate Governance and Sustainable Development
9. Mr. Suthanai Prasertsan Independent Director, Chairman of Audit Committee, Chairman of Corporate, Governance and Sustainable Development, Vice Chairman of Risk Management Committee, Vice Chairman of Anti-Corruption	10. Mr. Annantachai Yoonprathom Independent Director, Director of Audit Committee, Director of Nomination and Remuneration Committee, Vice Chairman of Corporate Governance and Sustainable Development



Management Team and Company Secretary



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List of Management Team and Company Secretary

1.	Mr. Sompol Tanadumrongsak	2.	Mrs. Nussara Tanadumrongsak
	Director, Chief Executive Officer, Director of Corporate Governance and Sustainable Development, Vice Chairman of the Risk Management Committee, Vice Chairman of Anti-Corruption, Managing Director, Investor Relation (Authorized Director)		Director, Executive Vice President, Director of Corporate Governance and Sustainable Development, Director of the Risk Management Committee, Anti-Corruption Group, Investor Relation (Authorized Director)





Management Team and Company Secretary

3. Mr. Kiattisak Chairuamkul Executive Director Director of Risk Management Committee Anti-Corruption Group Chief Operating Officer	4. Mr. Kowit Akkharaatima Executive Director Director of Risk Management Committee Anti-Corruption Group Chief Finance Officer Company Secretary
5. Mr. Sungvien Meethong Executive Director Director of Risk Management Committee Anti-Corruption Group Marketing and Business Development Manager	6. Mr. Sarayuht Ouybuan Executive Director Director of Risk Management Committee Anti-Corruption Group Quality Development Manager Company Secretary Investor Relation
7. Mr. Thongchai Wiwong Executive Director Director of Risk Management Committee Anti-Corruption Group Engineering Manager	8. Dr. Saruda Chitchuea Executive Director Director of Risk Management Committee Anti-Corruption Group Sustainability Development Manager
9. Mr. Bunphai Khumsaensuk Director of Risk Management Committee Anti-Corruption Group Production Manager	10. Mr. Prajak Sripa Director of Risk Management Committee Anti-Corruption Group Information and Technology Manager
11. Ms. Sirilak Pattatung Director of Risk Management Committee Anti-Corruption Group Manager of Accounting and Finance Department	



Detail of

Directors, Management Team, and the Company's Secretary



1. Mrs. Raweewan Mathong

Age: 88 years old

Chairman of the Board of Director

Date of Appointment: 26 November 1991

Education:-

Training Program:-

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		
1979 – Present	Director	Super Central Gas Co., Ltd.
1987 – Present	Director	SCG (Thailand) Co., Ltd.
1988 – Present	Director	Siam City Group Development Co., Ltd.
1991 – 13/09/2017	Director	Fortune Parts Industry Public Company Limited
14/09/2017-Present	Chairman	Fortune Parts Industry Public Company Limited
1994 – Present	Director	SCG Industry Co., Ltd.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): 87,183,000 shares (5.76%)

Family Relationship among Directors and Executives:

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

Illegal record in the last 10 years: -





Detail of

Directors, Management Team, and the Company's Secretary



2. Mr. Sangcharean Tanadumrongsak

Age: 63 years old

Vice Chairman (Authorized Signature)

Date of Appointment: November 1991

Education: Bachelor of Living Design, Chiyoda Institute of Technology, Japan

ประวัติการอบรม

- 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
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Directorship(s) in Other Company

Director	Super Central Gas Co., Ltd.
Director	SCG (Thailand) Co., Ltd.
Director	SCG Industry Co., Ltd.
Director	Siam City Group Development Co., Ltd.
Director	S.C.G Hathairat 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	SCG Industry Co., Ltd.
1994 – Present	Director	Siam City Group Development Co., Ltd.
1991 – Present	Director	S.C.G Hathairat Co., Ltd.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): 27,115,000 shares (1.79%)

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: -





Detail of

Directors, Management Team, and the Company's Secretary



3. Mr. Sompol Tanadumrongsak

Age: 53 years old

Director/ Managing Director/ Chairman of Executive Committee/

Vice Chairman of the Risk Management Committee/

Director of the Corporate Governance Committee/ Vice Chairman of Anti-Corruption/

Investor Relation

(Authorized Signature)

Date of Appointment : 26 พฤศจิกายน 2534

Education and Scholarship:

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

Training Program

- | | |
|---|--|
| - Director Accreditation Program (DAP) # 93/2011 Thai Institute of Directors (IOD) | - CG Report Seminar |
| - ACEP 12/2014 Thai Institute of Directors (IOD) | - IR Workshop # 4/2015 "Simplifying the IR message" |
| - Anti-Corruption: The Practice Guideline (ACPG)12/2014 Thai Institute of Directors (IOD) | - Enterprise Risk Management |
| - Anti-Corruption for Executive Program (ACEP)12/2014 Thai Institute of Directors (IOD) | - Opp Day Audition 2015 |
| - The Securities and Exchange Commission Capital Market Leader Program (CMLP) SASIN & SEC | - Corporate Sustainability Advisory Program 2016 |
| - Financial Instrument for Directors: FID in 2014 | - CG Forum 1/2016 "Ethics: Corporate Governance Consciousness" Stock Exchange of Thailand |
| - Guest Speaker ST.664 (Business Vision) # 1/2014 MBA in Business Economics | - "ESG for IR" Stock Exchange of Thailand |
| - Faculty of Economics, Thammasat University | - Sustainability Reporting Course |
| - SET's IR Advisory Program 2014 | - Training course on "Corporate Social Responsibility Management for Sustainable Development |
| - Capital Market Academy Program # 21 Capital Market Academy | - CSR-Management, Stock Exchange of Thailand |
| | - Innovation Management, NIA |
| | - Training for DRP, WMS Program |
| | - Positive thinking for life |





Detail of

Directors, Management Team, and the Company's Secretary

Directorship(s) in Listed Companies	
Director/ Managing Director/ Fortune Parts Industry Public Company Limited Chairman of Executive Committee/ Risk Management Committee/ Corporate Governance Committee/ Vice Chairman of Anti-Corruption/ Investor Relation	Fortune Parts Industry Public Company Limited
Directorship(s) in Other Company	
Director	SCG (Thailand) Co., Ltd
Director	SCG Industry Co., Ltd.
Director	Siam City Group Development Co., Ltd.
Director	S.C.G. Hathairat Co., Ltd.
Vice President	Thai Auto-Parts Manufacturers Association (TAPMA)
Director	mai Association (mai A)

Work Experience		
1993 – Present	Managing Director	Fortune Parts Industry Public Company Limited
1991-1992	Credit Manager 2	Super Central Gas Co., Ltd.
1993 - Present	Director	SCG (Thailand) Co., Ltd
1994 – Present	Director	SCG Industry Co., Ltd.
1996 – Present	Director	Siam City Group Development Co., Ltd.
2009 – Present	Associate Director	Thai Auto-Parts Manufacturers Association (TAPMA)
2011 – Present	Director	S.C.G Hathairat Co., Ltd.
2015 – 2021	Director	mai Association (mai A)

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018):

415,616,844 shares (27.47%)

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: -



Detail of

Directors, Management Team, and the Company's Secretary



4. Mr. Yanyongchai Tanadumrongsak

Age: 58 years old

Director
(Authorized Signature)

Date of Appointment : 26 November 1991

Education:

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

Training Program:

- Director Accreditation Program (DAP) #19/2004 Thai Institute of Directors (IOD)
- Thammasat Leadership Program "Thammasat for Social" # 7 Thammasat University

Directorship(s) in Listed Companies	
Director	Fortune Parts Industry Public Company Limited
Directorship(s) in Other Company	
Director	SCG (Thailand) Co.,Ltd.
Director	Super Central Gas Co.,Ltd.
Director	SCG Industry Co.,Ltd.
Director	Siam City Group Development Co., Ltd.
Director	S.C.G. Hathairat Co., Ltd.

Work Experience		
1979 – Present	Director	Super Central Gas Co., Ltd.
1987 – 1992	Director	SCG (Thailand) Co., Ltd.
1988 – Present	Director	SCG Industry Co., Ltd.
1991 – Present	Director	Fortune Parts Industry Public Company Limited
1994 – Present	Director	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 2018):

108,460,000 shares (7.17%)

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



Detail of

Directors, Management Team, and the Company's Secretary



5. Mr. Somkit Tanadumrongsak

Age: 56 years old

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

Training Program:

- Director Accreditation Program (DAP) #93/2011 Thai Institute of Directors (IOD)
- Thammasat Leadership Program “Thammasat for Social” # 7 Thammasat University

Directorship(s) in Listed Companies	
Director	Fortune Parts Industry Public Company Limited
Directorship(s) in Other Company	
Director	SCG (Thailand) Co.,Ltd.
Director	Super Central Gas Co.,Ltd.
Director	SCG Industry Co.,Ltd.
Director	Siam City Group Development Co., Ltd.
Director	S.C.G. Hathairat Co., Ltd.

Work Experience		
1979 – Present	Director	Super Central Gas Co., Ltd.
1987 – 1992	Director	SCG (Thailand) Co., Ltd.
1988 – Present	Director	SCG Industry Co., Ltd.
1991 – Present	Director	Fortune Parts Industry Public Company Limited
1994 – Present	Director	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 2018):

108,460,000 shares (7.17%)

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: -





Detail of

Directors, Management Team, and the Company's Secretary



6. Mrs. Nussara Tanadumrongsak

Age: 50 years old

Deputy Managing Director/ Vice Chairman of Executive Committee/

Risk Management Committee/

Director of the Corporate Governance Committee/ Anti-Corruption/ Investor Relation

Date of Appointment : 5 April 2017

คุณวุฒิทางการศึกษา

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

Training Program:

- | | |
|--|--|
| - Director Accreditation Program (DAP) SEC/2013 Thai Institute of Directors (IOD) | - AGM Meeting Quality Assessment Program "Full Tutoring for 100" for the year 2014, Thai Investors Association |
| - Thammasat Leadership Program "Thammasat for Social" # 4 Thammasat University | - Financial Instrument for Directors: FID, 2014 |
| - Social Enterprise for Executive, Asian Institute of Technology | - SET's IR Advisory Program 2014 |
| - Anti-Corruption for Executive Program (ACEP)12/2014 Thai Institute of Directors (IOD) | - CG Report |
| - Financial Instrument for Directors: FID in 2014 | - Opp Day Audition 2015 |
| - Corporate Sustainability Advisory Program 2016 | - IR Workshop # 4/2015 "Simplifying the IR message" |
| - CG Forum 1/2016 "Ethics: Corporate Governance Consciousness" Stock Exchange of Thailand | - Supply chain linkages and stakeholders |
| - "ESG for IR, Stock Exchange of Thailand | - CSR-Management |
| - Training course on "Corporate Social Responsibility Management for Sustainable Development | - Project to promote the use of technology Logistics, DRP, WMS |
| - Sustainability Reporting | - Positive thinking for life |
| | - Training and development of advanced potential for innovation for entrepreneurs (NIA) |
| | - Project Team building, 7 values |

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/ Anti-Corruption/ Investor Relation	Fortune Parts Industry Public Company Limited
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Detail of

Directors, Management Team, and the Company's Secretary

Work Experience		
1994 – 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
2018-2021	Consultancy	mai Association (mai A)

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): 678,500 shares (0.04%)

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

Illegal record in the last 10 years: -

Detail of

Directors, Management Team, and the Company's Secretary



7. Mr. Anant Gatepithaya

Age: 68 years old

Independent Director, Director of the Audit Committee, Director of Nomination and Remuneration/ Chairman of the Risk Management Committee/ Chairman of Anti-Corruption

Date of Appointment : 18 June 2004

Education :-

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

Training Program:

Thai Institute of Directors (IOD):

- | | |
|--|---|
| - National Director Conference 2016: Enhancing Growth Through Governance in Family-Controlled Businesses | - Course Seminar: DTT: Personal Financial Planning Workshop for Directors Class 1/2013 |
| - RCL: Risk Management Program for Corporate Leaders No. 1/2015 | - Course Seminar: AGM: "Integrity Pact: Transparency Tool for Preventing Corruption" Class 1/2013 |
| - Course Seminar: Director Forum 2/2015: Building better board through effective Independent Director | - Course Seminar: NDC: The 2nd National Director Conference 2013 "Board Leadership Evolution" Class 1/2013 |
| - Course Seminar C-Conference: "Thailand's 5th National Conference on Collective Action Against Corruption" Class 1/2014 | - 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 |
| - AACP: Advanced Audit Committee Program Class 17/2014 | - HRP: How to Develop a Risk Management class 2/2012 |
| - RMP: Risk Management Committee Program class 1/2013 | - QFR: Improving the Quality of Financial Reporting class 1/2006 |
| - Course Seminar: SE2: "Risk Resilience: How the company's directors should deal with the issues of Enterprise Risk Management" Class 2/2013 | - DAP: Director Accreditation Program class 7/2004 |
| - SE3: CNBC Summit: Myanmar Class 3/2013 | - ACP: Audit Committee Program class 2/2004 |
| - Course Seminar: R-Forum: "Director Nomination Issues and Trend" Class 1/2013 | - DCP: Director's Certification Program class 17/2002 |
| | - Business courses in the age of irregular fluctuation |



Detail of

Directors, Management Team, and the Company's Secretary

Directorship(s) in Listed Companies	
Independent Director and Director of the Audit Committee	Raja Ferry Port Public Company Limited
Independent Director, Director of the Nomination and Remuneration committee, Chairman of The Risk Management Committee, and Chairman of Anti-Corruption	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, Chairman of the Audit Committee and Director of The Risk Management Committee	Supalai Public Company Limited
Directorship(s) in Other Company	
Independent Director and Director of the Audit Committee	Zeer Property Public Company Limited
Chairman	The Brilliant Solution Company Limited

Work Experience		
2001 – Present	Independent Director, Chairman of the Audit Committee and Director of The Risk Management Committee	Supalai Public Company Limited
2004 – Present	Independent Director, Director of the Nomination and Remuneration committee, Chairman of The Risk Management Committee, and Chairman of Anti-Corruption	Fortune Parts Industry Public Company Limited
2003 – Present	Independent Director, Chairman of the Audit Committee, Chairman of The Risk Management Committee	CMO Public Company Limited
2007 – Present	Independent Director and Director of the Audit Committee	Raja Ferry Port Public Company Limited
2008– Present	Independent Director and Director of the Audit Committee	Zeer Property Public Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -

Detail of

Directors, Management Team, and the Company's Secretary



8. Mr. Pumipat Sinacharoen

Age: 49 years old

Independent Director/ Director of the Audit Committee/

Chairman of Nomination and Remuneration/ Vice Chairman 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.

Training Program

- Director Accreditation Program (DAP), No. 36/2005 Thai Institution of Director (IOD)
- Company Secretary Program (CSP) No. 27/2008 Thai Institution of Director (IOD)
- Business course in the age of irregular fluctuation

Directorship(s) in Listed Companies

Independent Director, Director of the Audit Committee, Chairman of Nomination and Remuneration and Vice Chairman of Corporate Governance Committee	Fortune Parts Industry Public Company Limited
Executive Vice President	PTG Energy Public Company Limited
Deputy Director of Human Resource, Assistant Director of Financial & Accounting and Investor Relation	AP (Thailand) Public Company Limited

Directorship(s) in Other Company

Director	Liquor Distillery Organization Excise Department
Director	Secondary Mortgage Corporation





Detail of

Directors, Management Team, and the Company's Secretary

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, Chairman of Nomination and Remuneration and Vice Chairman 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): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -



Detail of

Directors, Management Team, and the Company's Secretary



9. Mr. Suthanai Presertsan

Age: 64 years old

Independent Director/ Chairman of the Audit Committee/ Chairman of the Corporate Governance Committee/ Vice Chairman of the Risk Management Committee/ Vice Chairman of Anti-Corruption

Date of Appointment : 5 April 2017

Education

- Bachelor's degree in Economic, Major in Economic and Minor in Statistics Economic, Thammasat University
- Master's Degree in 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

Directorship(s) in Listed Companies

Independent Director, Chairman of the Audit Committee, Chairman of the Corporate Governance Committee, Vice Chairman of the Risk Management Committee and Vice Chairman of Anti-Corruption	Fortune Parts Industry Public Company Limited
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Work Experience

04/2017– Present	Independent Director, Chairman of the Audit Committee, Chairman of the Corporate Governance Committee, Vice Chairman of the Risk Management Committee and Vice Chairman of Anti-Corruption	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 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





Detail of

Directors, Management Team, and the Company's Secretary



10. Mr. Anantachai Yoonprathom

Age: 50 years old

Independent Director/ Director of the Audit Committee/

Vice Chairman of the Corporate Governance Committee/ Director of Nomination and Remuneration Committee

Date of Appointment : 5 April 2017

Education:

- Master's Degree in Mass Communication Research, Thammasat University

Training Program :-

- Special Instructor for many universities, for example Bachelor-Master's Degree Project, Faculty of Commerce and Accountancy, Thammasat University, Mini MBA Kasetsart University, Southeast Asia Study and Russia Study, Faculty of Liberal Arts, Thammasat University.
- Director of Strategic Planning Division, Education Development Section, The Education for Development Foundation (EDF) Thailand, dealing with several local and international education development projects for over 10 years
- 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 and Director of Nomination and Remuneration Committee	Fortune Parts Industry Public Company Limited
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Work Experience

2017– Present	Independent Director/ Director of the Audit Committee/ Vice Chairman of the Corporate Governance Committee	Fortune Parts Industry Public Company Limited
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Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





Detail of

Directors, Management Team, and the Company's Secretary



11. Kiattisak Chairuamkul

Age: 49 years old

Executive Committee/ Chief Operation Officer/
Risk Management Committee/ Anti-Corruption

Date of Appointment : 21 กุมภาพันธ์ 2562

Education:

- Bachelor of in Mechanic Engineering, Kasem Bundit University
- Master of Business and Administration, Management, Ramkhamhaeng University

ประวัติการอบรม

- | | |
|---|--|
| - Negotiation | - Systematic Thinking |
| - Decision Making | - Leadership Professional |
| - Total Productivity maintenance | - Statistical Process control for ENG. |
| - ISO 19011:2018 Guidelines for auditing management systems | - Problem Solving & qc Technique |
| - Qcc. Auditor | - FMEA |
| - Minitab program | - Time Management |
| - Inventory control management | - Measurement analysis |
| - Lean Enterprise | - Black belt Six-Sigma training |
| - ISO/TS 16949 :2002 | - Modern Supply Chain Management |
| - SAP and ERP system setup leader (QAD) | - Total Quality Management |

Directorship(s) in Listed Companies

Executive Committee/ Chief Operation Officer/ Risk Management Committee/ Anti-Corruption	Fortune Parts Industry Public Company Limited
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Work Experience

2018- Present	Executive Committee/ Chief Operation Officer/ Risk Management Committee/ Anti-Corruption Corporate Governance Committee	Fortune Parts Industry Public Company Limited
2016-2017	Senior Manager	Summit Auto Seats Industry Co., Ltd.
2013-2016	Assistant Managing Director	Thai Sin Anant Rubber Co., Ltd.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





Detail of

Directors, Management Team, and the Company's Secretary



12. Kowit Akkharaatimart

Age: 48 years old

Executive Committee/ Chief Finance Officer/

Risk Management Committee/ Anti-Corruption/ Investor Relation

Date of Appointment : 21 กุมภาพันธ์ 2562

Education :

- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University

Training Program :

- | | |
|--|-------------------------------------|
| - TFSR 2018 Federation of Accounting Professions | - Financial Model 1 สภาวิชาชีพบัญชี |
| - IFSR 2017-2018 KPMG | - Outlook 2018-2019 HSBC |
| | - Smart Disclosure Program (SDP) |

Directorship(s) in Listed Companies

Executive Committee/ Chief Finance Officer/ Risk Management Committee/ Anti-Corruption/ Investor Relation

Fortune Parts Industry Public Company Limited

Work Experience

2018- Present	Executive Committee/ Chief Finance Officer/ Risk Management Committee/ Anti-Corruption/ Investor Relation	Fortune Parts Industry Public Company Limited
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2013-2017		Berli Jucker Public Company Limited
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Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





Detail of

Directors, Management Team, and the Company's Secretary



13. Sungvien Meethong

Age: 48 years old

Executive Committee/ Sales and Marketing Manager/

Risk Management Committee/ Anti-Corruption

Date of Appointment : 20 March 2008

Education :

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

Training Program:

- | | |
|--|---|
| - Social Enterprise for Executive, Asian Institute of Technology | - Energy management for factory managers and control buildings |
| - SET's IR Advisory Program 2014 | - Supply chain linkages and stakeholders |
| - Management Responsibility for Sustainable Development | - Positive thinking for life |
| - Risk management for modern organizations | - A project to encourage the establishment to comply with the law on the employment of people with disabilities |
| - Training program to promote environmentally friendly production for the automotive and automotive parts industries | - Company snapshot, a new tool for investment |
| - Corporate Sustainability Advisory Program 2016 | - Project manager for happy work place |
| - Training course on "Corporate Social Responsibility Management for Sustainable Development | - Training and development of advanced potential for innovation for entrepreneurs |
| - CSR-Management, SET | - Happy work place |
| - Project to promote the use of technology Logistics, DRP, WMS | - ISO 5000, Energy Quality Service Company Limited |
| - IATF 16949:2016 Requirement | - Team building project, 7 values |
| - ISO 9001:2015 Requirement | - Advance Surface Technology & Process Control |
| - ISO14001:2015 Requirement | - ISO 19011: 2018 Guidelines for auditing management systems |
| | - OHSAS18001: 2015 Requirement |





Detail of

Directors, Management Team, and the Company's Secretary

Directorship(s) in Listed Companies	
Executive Committee/ Sales and Marketing Manager/ Risk Management Committee/ Anti-Corruption	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 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -



Detail of

Directors, Management Team, and the Company's Secretary



14. Sarayuht Ouybuan

Age: 48 years old

Executive Committee/ Quality Development Manager/

Director of Risk Management committee/ Anti-Corruption/

Company's secretary/ Investor Relation

Date of Appointment : 17 November 1997

Education

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

Training Program:

- | | |
|--|---|
| - Social Enterprise for Executive, Asian Institute of Technology | - "Know new securities laws: How to do it correctly " |
| - Sustainability Risk and Materiality Analysis | - Class action, SEC |
| - Training course "Social Responsibility Management for Sustainable Development" | - CSR-Management |
| - Insights into the CG Report assessment criteria | - Project to promote the use of technology Logistics, DRP, WMS |
| - Risk management for modern organizations | - Supply chain linkages and stakeholders |
| - Training program to promote environmentally-friendly production for the automotive and automotive parts industries | - Positive thinking for life |
| - Training course on risk management strategies | - Company snapshot, a new tool for investment |
| Foundation for National Productivity Institute | - Training and development of advanced potential for innovation for entrepreneurs |
| - Corporate Sustainability Advisory Program 2016 | - Happy work place |
| - Training course on "Corporate Social Responsibility Management for Sustainable Development | - ISO 50001 Energy Quality Service Company Limited |
| - Insights into CG Report assessment criteria | - Team building |
| - IATF 16949:2016 Requirement | - Toyota Production System |
| - ISO 9001:2015 Requirement | - Advance for Corporate Secretaries |
| - ISO14001:2015 Requirement | - Fundamentals for Corporate Secretaries |
| - OHSAS18001:2015 Requirement | - ISO 19011:2018 Guidelines for auditing management systems |
| | - Smart Disclosure Program (SDP) |





Detail of

Directors, Management Team, and the Company's Secretary

Directorship(s) in Listed Companies	
Executive Committee/ Quality Development Manager/ Director of Risk Management committee, Anti-Corruption, Company's secretary and Investor Relation	Fortune Parts Industry Public Company Limited

Work Experience		
1997 – Present	Executive Committee/ Quality Development Manager/ Director of Risk Management committee, Anti-Corruption, Company's secretary and Investor Relation	Fortune Parts Industry Public Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): 423,000 shares (0.03%)

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -



Detail of

Directors, Management Team, and the Company's Secretary



15. Thongchai Wiwong

Age: 46 years old

Executive Committee/ Engineering Manager/
Risk Management Committee/ Anti-Corruption

Date of Appointment : 5 October 2001

Education:

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

Training Program:

- | | |
|--|---|
| - SET's IR Advisory Program 2014 | - Project to promote the use of technology Logistics, DRP, WMS |
| - Training course "Sustainability Risk and Materiality Analysis" | - Supply chain linkages and stakeholders |
| - Training course "Social Responsibility Management for Sustainable Development" | - Positive thinking for life |
| - Risk management for modern organizations | - Company snapshot, a new tool for investment |
| - Training program to promote environmentally-friendly production for the automotive and automotive parts industries | - Training and development of advanced potential for innovation for entrepreneurs |
| - Corporate Sustainability Advisory Program 2016 | - Happy work place |
| - Training course on "Corporate Social Responsibility Management for Sustainable Development | - ISO 50001 Energy Quality Service Company Limited |
| - CSR-Management (SD01) | - Team building project, 7 values |
| - IATF 16949:2016 Requirement | - Anti-Corruption: The Practical Guide (ACPG) |
| - ISO 9001:2015 Requirement | - Plastic injection mold theory |
| - ISO14001:2015 Requirement | - ISO 19011: 2018 Guidelines for auditing management systems |
| | - OHSAS18001: 2015 Requirement |





Detail of

Directors, Management Team, and the Company's Secretary

Directorship(s) in Listed Companies	
Executive Committee/ Engineering Manager/ Risk Management Committee/ Anti-Corruption	Fortune Parts Industry Public Company Limited

Work Experience		
2001 – Present	Executive Committee/ Engineering Manager/ Risk Management Committee/ Anti- Corruption	Fortune Parts Industry Public Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018):

1,030,000 shares (0.08%)

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





Detail of

Directors, Management Team, and the Company's Secretary



16. Dr. Saruda Chit Chuea

Age: 47 years old

Executive Committee/Sustainability Development Manager/

Risk Management Committee/ Anti-Corruption

Date of Appointment : 8 June 2015

Education

- Bachelor of Chemistry, Ramkhamhaeng University
- Master of Science, King Mongkut's Institute of Technology, Ladkrabang
- Ph.D., of educational administration, Ubon Ratchathani Rajabhat University

Training Program

- TLS 8001-2003, Year 2010 Department of Industrial Promotion
- Cost management enhancement course, 2010, Department of Industrial Promotion
- National Quality Award Criteria Program for Auditors 2/2556 National Productivity Institute
- TQA Pre-Assessor Course 3/2556 National Productivity Institute
- TQA Assessor Course 5/2013 National Productivity Institute
- Neuro-Linguistic Programming Course 3/2557 Mr. Barney Wee
- Cost reduction and production efficiency courses for the food industry in 2014, Department of Industrial Works
- Internal Quality Monitoring Course ISO 9001 & ISO 14001 12/2557 Panu Consulting and Training Center Co., Ltd.
- Risk Management Program for New Enterprise (Risk Management) 7/2558
- Drafting of the Skill Standard Drafting Program 20, Professional Branch 8/2558, Ministry of Labor
- Environmentally friendly production promotion program for the automotive and automotive parts industry 9/2558
- Wage and Benefit Structure Survey Program, Automotive Parts Industry 8/2015, Federation of Industries
- Industrial Technology Form 2015 9/2558
- Risk management for modern organizations
- Corporate Sustainability Advisory Program 2016
- Training course on "Corporate Social Responsibility Management for Sustainable Development
- Mental, intellectual, love, organizational commitment
- Promotion of the quality of life of the disabled
- CSR-Management: The Stock Exchange of Thailand
- Project to promote the use of technology Logistics, DRP, WMS
- Objective and Key Results
- Energy management for factory managers and control buildings
- Personnel in pain around the factory "Pollution Control Authority"
- Reunite, create power, build relationships, share happiness, aim for sustainable health
- Supply chain linkages and stakeholders





Detail of

Directors, Management Team, and the Company's Secretary

- Positive thinking for life
- A project to encourage the establishment to comply with the law on the employment of the disabled
- Company snapshot, a new tool for investment
- Driven the development of manpower, Super cluster, vehicles and parts
- HR Mega vision 2016
- Project manager for happy work place
- Training and development of advanced potential for innovation for entrepreneurs
- Happy work place
- ISO 50001 Energy Quality Service Company Limited
- Team building project, 7 values
- Renewable Energy Personnel Development Project Solar Energy Course
- Integrating gas, greenhouse gas data for sustainable development
- SD Forum No. SDGS
- Operation of the expansion project for promoting the carbon footprint of the organization
- Update the effluent laws and legal practices
- Groundwater use assessment project throughout the product life cycle
- Water Footprint Assessment
- Introduction to corrosion
- Personnel in social responsibility, personnel type, specialized in social responsibility management, general level
- Non-Financial Disclosure and GRI Training
- Advance for Corporate Secretaries
- Fundamentals for Corporate Secretaries)
- Solar power generation system on the roof
- Labor laws for new executives or personnel

Directorship(s) in Listed Companies

Executive Committee/Sustainability Development Manager/ Risk Management Committee/ Anti-Corruption	Fortune Parts Industry Public Company Limited
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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.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





Detail of

Directors, Management Team, and the Company's Secretary



17. Ms. Sirilak Pattatung

Age: 41 years old

Finance & Account Manager / Risk Management Committee/ Anti-Corruption

Date of Appointment : 21 February 2019

Education

- Bachelor of Arts Business Administration,
Accounting at Rajabha Phranakhon University

Training Program :

- | | |
|--|--|
| - Preparation for changes in financial reporting standards | - Income statement: the view that the accountant must be aware |
| - Consolidation and advanced preparation of consolidated financial statements, (Work shop) | - Happy work place |
| - Techniques for analyzing investment projects and risk management strategies to create sustainable value for the business | - ISO 50001 Energy Quality Service Company Limited |
| - Sources of investment funds to increase the value of sustainable business with capital market tools | - Team building project, 7 values |
| | - Employee benefits and cash flow statements |

Directorship(s) in Listed Companies

Finance & Account Manager / Risk Management Committee/ Anti-Corruption Company Secretary	Fortune Parts Industry Public Company Limited
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Work Experience

2004 – Present	Finance & Account Manager / Risk Management Committee/ Anti-Corruption	Fortune Parts Industry Public Company Limited
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Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years:



Detail of

Directors, Management Team, and the Company's Secretary



18. Mr. Prajak Sripa

Age: 51 years old

Information and Technology Manager / Risk Management Committee/ Anti-Corruption

Date of Appointment : 21 February 2019

Education :

- Bachelor of Computer Science, Kru Phetchaburi University
- Master of Business Administration in Management, Eastern Asia University

Training Program:

- | | |
|--|--|
| - Social responsibility management for sustainable development | - Energy management for factory managers and control buildings |
| - Risk management for modern organizations | - Happy work place |
| - Project to promote the use of technology Logistics, DRP, WMS | - ISO 50001 Energy Quality Service Company Limited |
| | - Team building project, 7 values |

Directorship(s) in Listed Companies

Information and Technology Manager / Risk Management Committee/ Anti-Corruption

Fortune Parts Industry Public Company Limited

Work Experience

2008 – Present

Information and Technology Manager / Risk Management Committee/ Anti-Corruption

Fortune Parts Industry Public Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





Detail of

Directors, Management Team, and the Company's Secretary



19. Ms. Boonphai Khumsaensuk

Age: 48 years old

Production Manager / Risk Management Committee/ Anti-Corruption

Date of Appointment : 21 February 2019

Education

- Bachelor of Production Technology, Rajabha Phranakhon University

Training Program:

- | | |
|--|--|
| - Decision Making | - Risk management for modern organizations |
| - Leadership Professional | - FMEA |
| - Statistical Process Control for Eng. | - 5S for factory |
| - Total Productive Maintenance | - Minitab Program |
| - ISO9001 Internal Auditor | - ISO/TS 16949:2002 |
| - QCC Activity | - SAP and ERP System |
| - Problem Solving & QC techniques | - Safety for Management |

Directorship(s) in Listed Companies

Production Manager / Risk Management Committee/ Anti-Corruption	Fortune Parts Industry Public Company Limited
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Work Experience

2017 – Present	Production Manager / Risk Management Committee/ Anti-Corruption	Fortune Parts Industry Public Company Limited
2016-2017	Production Manager	Summit Auto Seats Industry Co., Ltd.
2014-2016	Senior Production Engineering Manager	Thai Sin Anant Rubber Co., Ltd.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2018): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -



Nature of Business

Fortune Parts Industry Company Limited engages mainly in the manufacture of automotive parts made of plastic, as well as the center of distribution of the automotive spare parts replacement and white-label automotive spare parts under various brand. The company also provides services: mold injection, chromium-plated and painted plastic product. The products and services of the company can be categorized as follows:

1. Products manufactured 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, especially accessories parts to enhance the value of the products such as Front Bumper Guard, Over Fender, Side Cladding, Head Lamp Cover, Tail Lamp Cover, Mirror Cover, Spoiler and Skirt Set, as well as electrical parts.

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

2.1 Replacement Equipment (REM)

- REM produced from plastic: Bumper, Grille, Head Lamp and Tail Lamp
- REM manufactured from metal: Hood, door panels, fenders and radiator mounting.
- Others REM: rubber products, boiler components and the suspension filter.

2.2 Original Equipment Manufacturing (OEM): doors, hood, grille, headlights, taillights and bumpers.

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

4. **Other services** provide injection mold, chrome plating and painting. For instance, plastic beads, and packaging. Also, selling the raw material that is not meet the standard of the company.

5. **Assets Utilization** such as provide rental of mold equipment and mold

Nature of Business

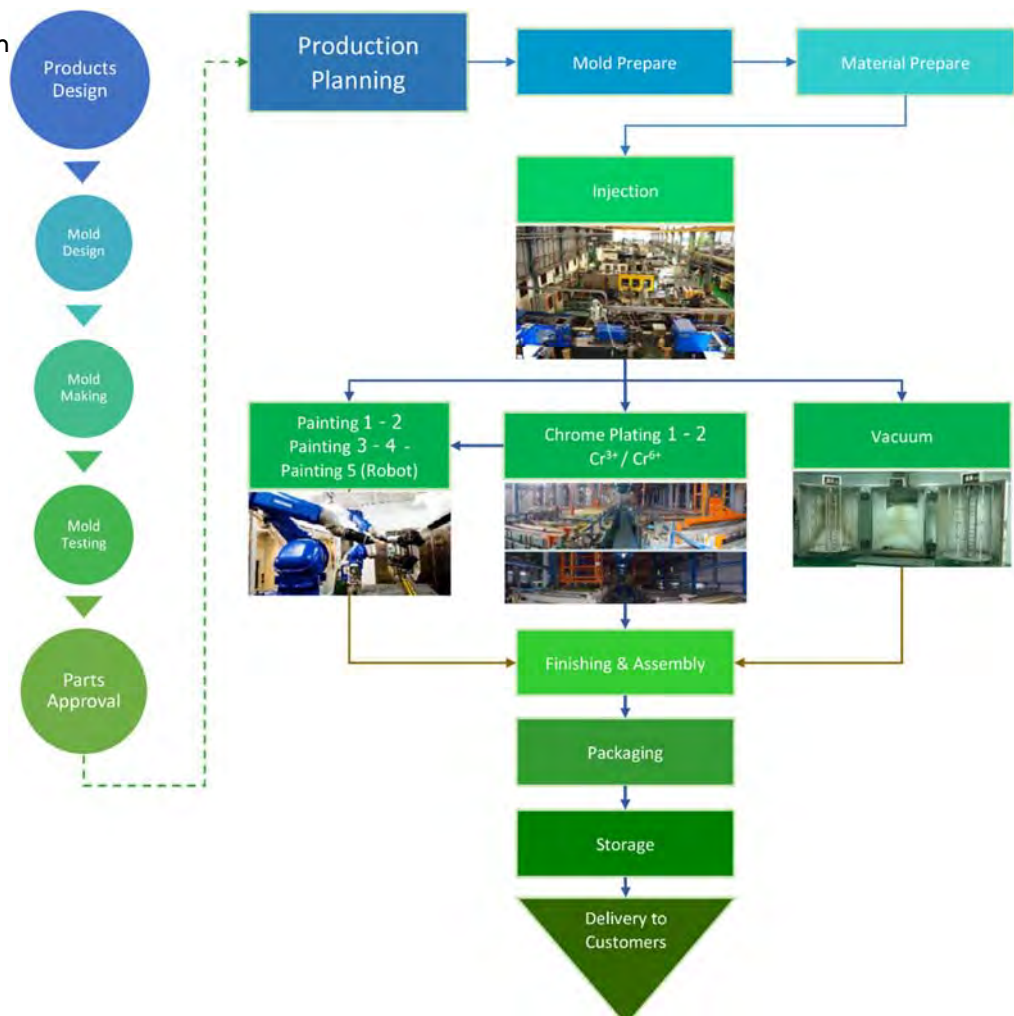
Product Variety and Services

“FPI” capability in the industry is to design mold for plastic and manufacture that is well-known. The success and growth of the previous could be clearly proved that the company has reach its goal of “Being the manufacturer who has endless experience in the industry”

Products and services



Process Diagram



Revenue Structure

The revenue of the company

during the year 2016-2018 could be categorized according to the operation segment as four segments as follows:

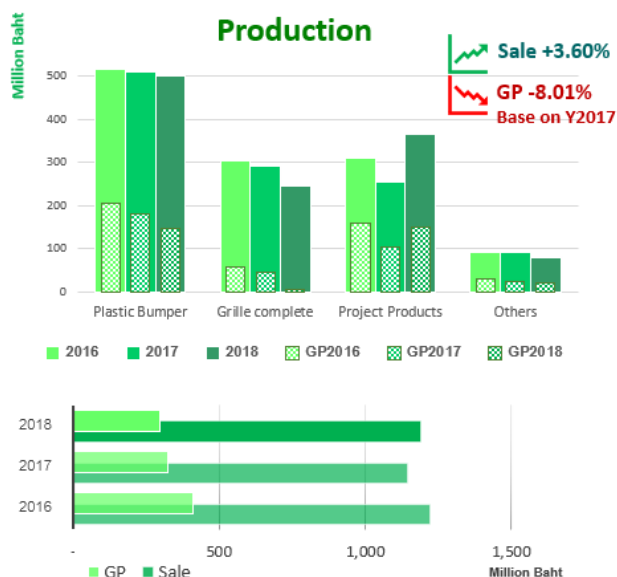
1. Domestic sales, which manufacture and distribute automotive parts and equipment in Thailand.
2. Export sales, which manufacture and distribute automotive parts and equipment to overseas.
3. Services from plating and painting automotive parts.
4. Other revenues which include export incentive, gain on exchange rate, interest income and gain from sales of scrap.

Type of Revenues	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Domestic Sales	279.77	13.79	252.46	12.49	293.54	14.92
2. Export Sales	1,703.39	83.96	1,724.64	85.30	1,645.58	83.66
3. Services Income	3.18	0.16	2.07	0.10	1.10	0.06
4. Other Revenues	42.51	2.09	42.76	2.11	26.86	1.36
Total Revenue	2,028.85	100.00	2,021.93	100.00	1,967.08	100.00

Note : Other Revenue: export incentive, gain on exchange rate, interest income and gain from sales of scrap.

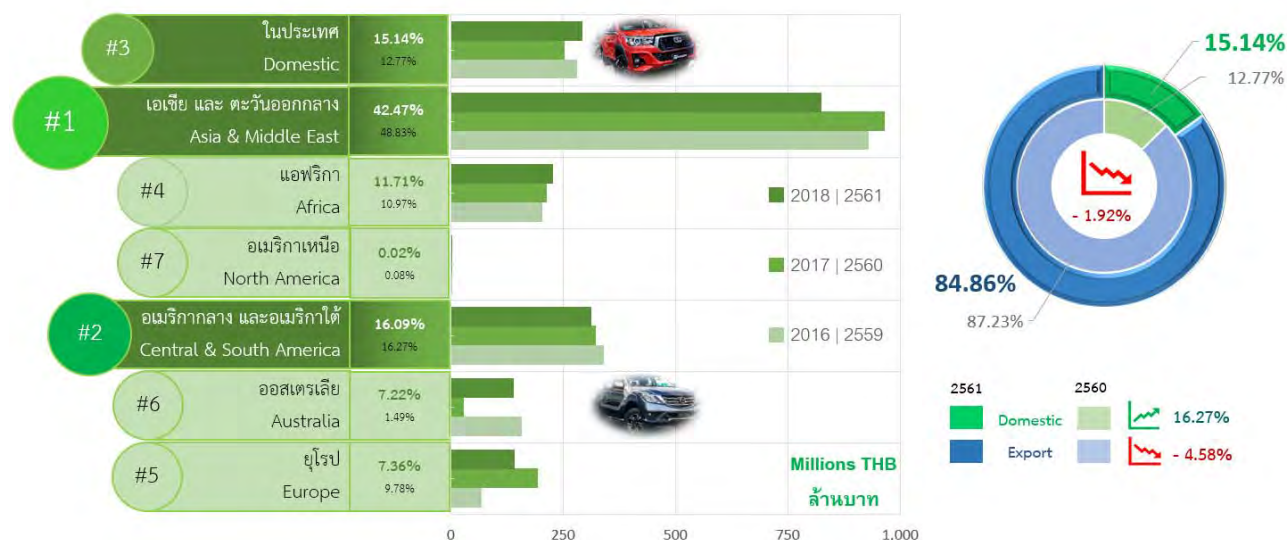
The revenue of the company for the years 2016-2018 are categorized based on characteristic of company's products and services.

The company's products are what the company manufactures, purchased for resale, revenue from services and others as follows:



Revenue Structure

Total Revenues from Sales by Zone (Percent)



Total Revenues by Product categories (Unit: Million Baht)



Future Plans

Future Plans

Fortune Parts Industry Public Company Limited strives to create added value for the business and build engagement with stakeholders throughout the value chain to maintain a balance between economic growth and environmental friendly. Environment friendly is following the objectives of the organization to create Eco Operation Excellence in order to raise the standard for the automotive parts industry and development of low carbon business. By defining policies and plans in the future that respond to the Sustainability Material Issues, as well as future challenges, which are both business risks that need to be managed and business opportunities that drive profits and growth through effective use of natural resources and human resources. Details are as follows:

Economic

The company has determined the direction of revenue growth from products and services for 2019-2023 by expanding to the market of Replacement Equipment Manufacturing: REM that has high potential such as Mexico and the United Kingdom, and spare parts produced for the manufacturer, which is the original equipment manufacturing (OEM) with high potential such as the United State of America, Australia, Europe and Thailand



Environment

The company is committed to conducting business according to the concept of revolving economy along with the development of new innovations to upgrade the automotive industry by promoting the use of alternative energy and renewable energy, maximizing resource efficiency, management to global standards, implementation of the



Sustainable Development Goals of 17 Goals for the implementation of energy performance as an organization level indicator for measuring and evaluating the annual performance of employees from the leader level to the higher level, and the use of carbon price mechanisms to reduce the causes of climate change and create growth with a quality of life that is environmental friendly, including promoting the development of tools for economic growth compared with the environmental impact that occurs in the low carbon business

Future Plans

Social

The company focuses on continuously developing knowledge of human resources, community and society. According to the framework of sustainable development, everyone has the right to receive equal care in order to improve the quality of life along with the growth of the income of the organization, and creating a balance to live happily together with society and community. This is for the common goal of creating Eco Industrial Town, and promote vocational skills training for short-term courses for vocational students as a guideline for further education and career in the future

Investment

1. The company has determined the direction of revenue growth from products and services as follows;



1.1 Joint Venture for 45% with Fortune-Parts Industry Ecuador Cia, Ltda, located in Ecuador. The registered capital of USD 500,000, representing an investment value of \$ 225,000.



1.2 Joint Venture for 45% with ALP FPI Parts Private Limited, located in India. The registered capital of INR 320 million, representing an investment value of INR 142.06 million.



1.3 Mold rental services

2. The company has determined the direction of revenue growth for new business that are not related to the original business as follows;

2.1 Invest in Biomass power plant of not exceed 120 MV

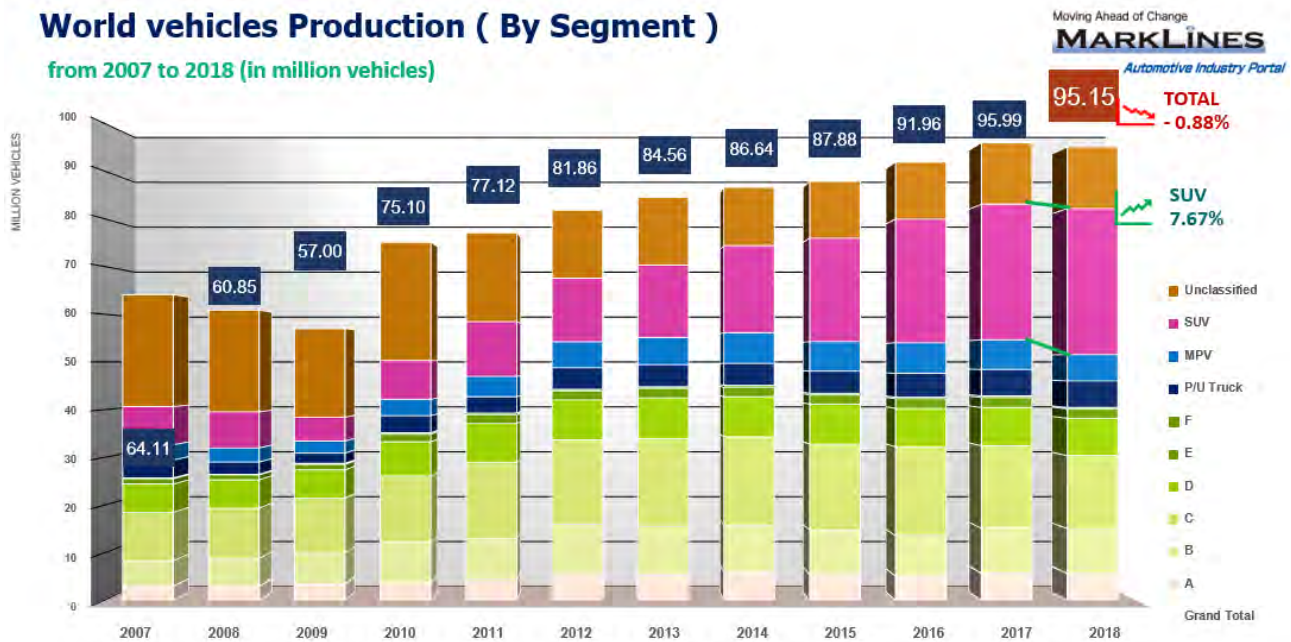




Industry Overview and Competition

World vehicles Production (By Segment)

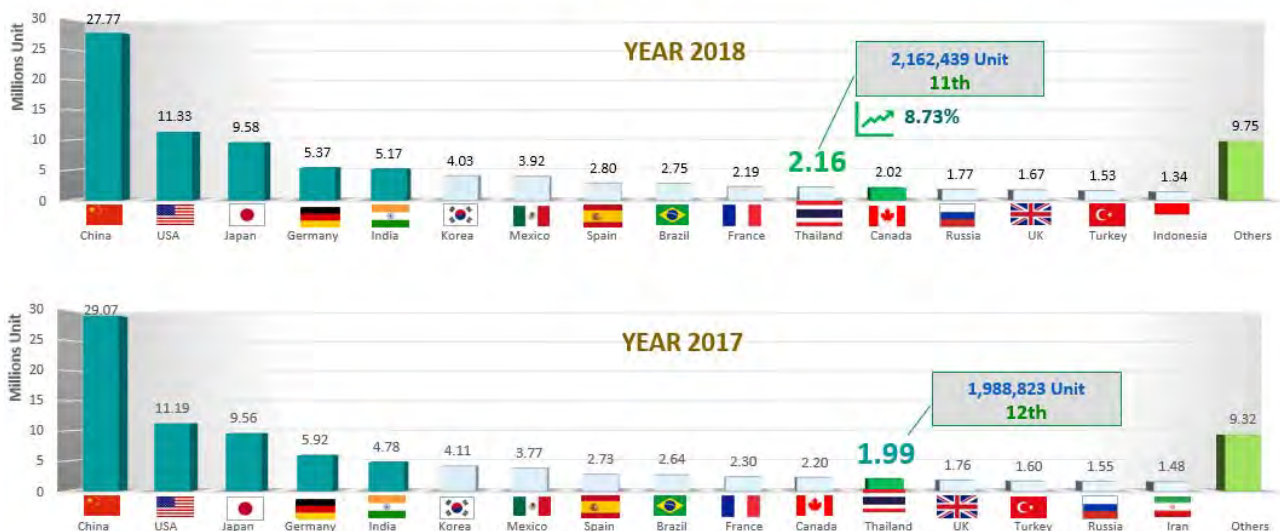
from 2007 to 2018 (in million vehicles)



In 2018, the automotive industry slowed down with the global production of 95.15 million units, divided into personal sedans of 40.46 million cars, pick-up SUV MPV 41.72 million cars and commercial vehicles such as vans, trucks, buses and others amounting 12.97 million cars. Overall production decreased by 0.93 percent from the previous year. For new market segments such as Compact SUV, which penetrates the consumer market who wants to use more multi-purpose vehicles in the city, increased from 28.46 million units to 30,64 million units or increased by 7.67 percent.

Production Statistic Range 2017 : 2018

MARKLINES Automotive Industry Portal



The estimation of Thailand's automobile production in 2018 were ranked 11th in the world with the production volume of 2,162,439 vehicles while the previous year were ranked at 12th, with a production volume of 1,988,823 units which increase by 8.73 percent. The export value is \$ 22,686.60 million which increase by 14.5





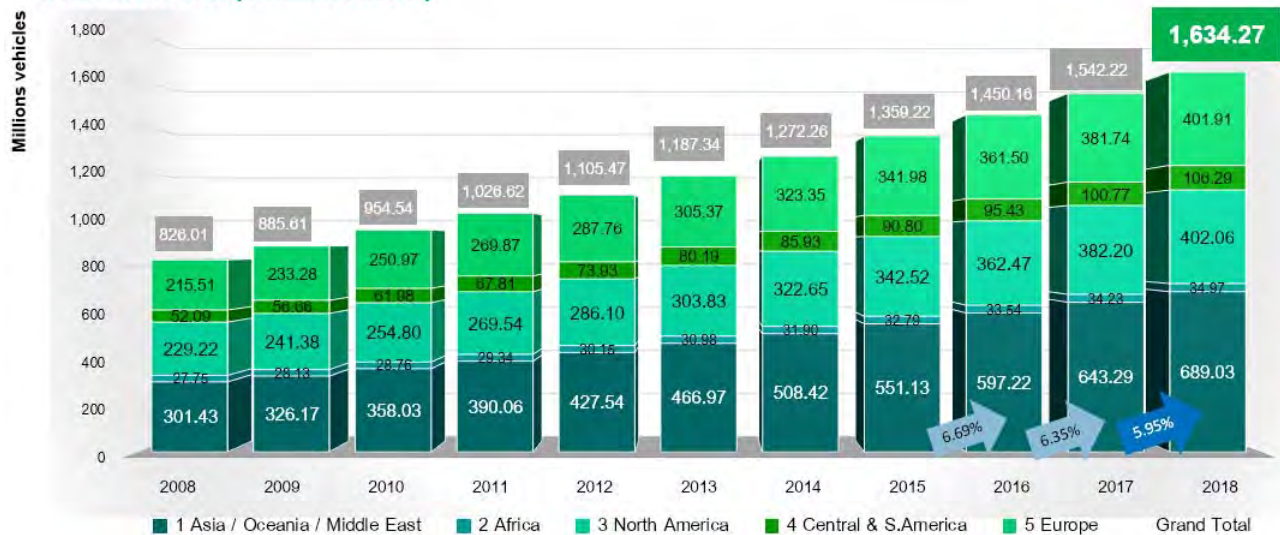
Industry Overview and Competition

percent from the previous year. For the top 5 countries that Thailand exports vehicles to, were America (13.95 percent), Japan (9.61 percent), Indonesia (8.06 percent), Malaysia (6.74 percent) and China (5.58 percent).

Worldwide vehicles in use

from 2005 to 2018 (in million vehicles)

Moving Ahead of Change
MARKLINES
Automotive Industry Portal



EV. TREND

from 2012 to 2018 (in million vehicles)

Moving Ahead of Change
MARKLINES
Automotive Industry Portal



There was a steadily increase in the volume of cars each year over the past several years with an average increase of 6.60 percent over the past 5 year. For the top 5 countries with the highest volume of motor vehicles: Asian countries Oceania and the Middle East (7.08 percent), African countries (2.18 percent), North America (5.20 percent), Central America (5.48 percent) and Europe (5.28%). For automotive technology that comes to replace oil, the trend continues to rise during the past 10 years. In 2018, the alternative energy increased 4.07 percent from the previous year.



Management Discussion & Analysis

Executive Summary

In 2018, Fortune Parts Industry Public Company Limited had a net profit of Baht 129.08 million with earning per share (EPS) of Baht 0.09 per share which decreased by 31.99 percent from the net profit Baht 189.79 million or Baht 0.15 per share in 2017.

Table of Company Operation Summary

(Unit : Million Baht)

	<u>2017</u>	<u>2018</u>	<u>Change (%)</u>
Sales and Service Income	1,979.16	1,940.22	-1.97
EBITDA	462.48	389.76	-15.72
EBITDA Margin (%)	23.60	19.81	-3.79
Net Profit	189.79	129.08	-31.99
Earnings Per Share (Baht)	0.15	0.09	-40.00

The revenue of the company during the year 2016-2018 could be categorized according to the operation segment as four segments as follows:

1. Domestic sales, which manufacture and distribute automotive parts and equipment in Thailand.
2. Export sales, which manufacture and distribute automotive parts and equipment to overseas.
3. Services from plating and painting automotive parts.
4. Other revenues which include export incentive, gain on exchange rate, interest income and gain from sales of scrap.

Type of Revenues	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Domestic Sales	279.77	13.79	252.46	12.49	293.54	14.92
2. Export Sales	1,703.39	83.96	1,724.64	85.30	1,645.58	83.66
3. Services Income	3.18	0.16	2.07	0.10	1.10	0.06
4. Other Revenues	42.51	2.09	42.76	2.11	26.86	1.36
Total Revenue	2,028.85	100.00	2,021.93	100.00	1967.08	100.00

Management Discussion & Analysis

Overall performance results of the Company for the year ended 31 December 2018, compared to the same period of the previous year

Overall performance results of the Company for the year ended 31 December 2018, compared to the same period of the previous year were highlighted as below;

(Unit : Million Baht)

Separate financial statements

	2017	2018	% Change
Sales and Service Income	1,940.22	1,979.16	-1.97
Cost of sales and Services	1,572.51	1,525.25	+3.10
Selling and Administrative Expenses	218.91	244.45	-10.45
Financial Cost	26.69	30.80	-13.34
Net Profit	129.08	189.79	-31.99

(หน่วย : ล้านบาท)

Financial statements in which equity method is applied

	2017	2018	% Change
Sales and Service Income	1,940.22	1,979.16	-1.97
Cost of sales and Services	1,572.51	1,525.25	+3.10
Selling and Administrative Expenses	218.91	243.94	-10.45
Share of profit (loss) from investments	(3.53)	10.82	-132.62
Financial Cost	26.69	30.80	-13.34
Net Profit	125.55	201.12	-37.57

Total Revenues

In 2018 and 2017, sales and service income of the Company are Baht 1,940.22 and 1,979.16 million, respectively, which decreased by Baht 38.94 million or decreased by 1.97%. This was mainly due to the decreased in export sales to the Middle East and African zone as these zones are facing economic problems. Therefore, the Company delayed sales transaction to several customers in the zones since the Company would like to collect overdue balance from the customers first. Moreover, sales to European countries decreased as the Company allocated more sales to Australian zone. Therefore, the export sales to Australian zone rose from Baht 29 million in 2017 to Baht 139 million in this year or soared for more than 374%, which is mainly from sales of OEM parts of Mazda cars.

Furthermore, the sales in the domestic increased from Baht 252 million in 2017 to Baht 294 million in 2018, or increased by 16% from sales of OEM parts of Toyota cars.





Management Discussion & Analysis

Although the total revenue in this year is less than the revenue in 2017, the revenue in quarter 4 of 2018 is almost 10% more than the revenue in the same period last year

Cost of Sales and Services

In 2018 and 2017, total cost of sales and services of the Company, which is accounted for Baht 1,572.51 million and Baht 1,525.25 million, respectively, increased by Baht 47.26 million or 3.10%. This is mainly because of the increased in overhead expense of production process.

Selling and Administrative Expenses

For the period ended 31 December 2018, the Company's selling and administrative expenses decreased by Baht 25.54 million or 10.45% from the same period in 2017. The main reason is from the reversal of allowance for diminution in value of inventories, which decreased by Baht 31.54 million from 2017. The selling expenses such as shipping fees also dropped in the same line with the decreased in sales in the period. However, during the year, the Company has financial advisory, legal fees and project study expense for the solar power plan project in Japan amounted to Baht 29.10 million.

Financial Cost

In 2018, the finance cost of the Company was Baht 26.69 million which reduced by Baht 4 million from 2017 because the Company could manage and obtain cheaper source of finance than the prior period.

Net Profit

In 2018 and 2017, net profit of the Company which is accounted for Baht 129.08 million and Baht 189.79 million, respectively, decreased by Baht 60 million or 32%. This is mainly due to the declined of sales and the average exchange rate of US Dollar, which is decreased by 3.18% from 33.34 in 2017 to 32.32 in 2017. Moreover, as the Company has solar power plant in Japan, in this year, the Company incurred financial advisory, legal fees and project study expense amounting to Baht 29.10 million. However, if the Company did not have this expense, the profit of quarter 4 in 2018 will be more the profit of the same period in 2017.

For share of loss from investments in joint ventures in 2018, the balance of Baht 3.53 million was described as followed:

1. SAFE Energy Holdings Company Limited ("SAFE") is the joint venture that the Company holds 33.37%. Currently, the project has commenced the operation of biomass gasification power plant of 7.5 MW of Prize of Wood Green Energy Co., Ltd. (PWGE). SAFE invests 99.99% in PWGE, 49% in Bina Puri Power (Thailand) Co., Ltd., and 100% in SAFE Biomass Co., Ltd. For the period ended 31 December 2018, the Company recognized the profit from investment in joint venture of Baht 6.83 million.





Management Discussion & Analysis

2. FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA., the joint venture of FPI, was held 45% by the Company. In 2018, the Company recognized profit from investment in joint venture of Baht 0.07 million.

3. ALP FPI PARTS PRIVATE LIMITED. the Company holds 45% as a joint venture. The Company recognized loss from investment in joint venture of Baht 10.43 million during this period.

Statement of Financial Position: Financial statement in which the equity method is applied (in comparison to as of 31 December 2017)

Overall the Company's financial position in which the equity method is applied as of 31 December 2018, compared to the statement of financial position as of 31 December 2017, the balance of total assets which were Baht 2,553.47 million and Baht 2,792.19 million, respectively, decreased by Baht 238.72 million, or decreased by 8.55% was mainly due to the following reasons:

Total Assets

As at 31 December 2018, the Company's total assets was Baht 2,553.47 million, decreased by Baht 238.72 million from the balance as at 31 December 2017. There were a decreased of Baht 46 million of trade and other receivables as the company could urge oversea debtors to pay faster. On the other hand, there is an increased in ending inventory, especially in the OEM parts following customers' orders and to meet customers' demand at the end of the year. The balance of property, plant and equipment also increased from the investment in new molds. Moreover, the increased in investment in joint ventures is mainly from the increased in capital of Safe Energy Holding Co., Ltd., and ALP FPI PARTS PRIVATE LIMITED which have already registered during this period.

However, cash and cash equivalents decreased from repayment of short-term loans from banks, payment for investing in molds and payment of dividends.

Total Liabilities

As at 31 December 2018, total liabilities were Baht 875.97 million, decreased from 31 December 2017 of Baht 592.01 million. The reason was mainly because of the repayment of short-term loans from banks, especially in Packing Credit and bill of exchange that expired during the period. Moreover, the Debt to equity (D/E) ratio decreased from 1.12 times at 31 December 2017 to 0.52 times in 2018, which is the lowest rate since the Company has operated.

Shareholders' Equity

As at 31 December 2018, shareholders' equity was Baht 1,677.50 million which increased by Baht 353.29 million from Baht 1,324.21 million as at 31 December 2017. The increased is mainly due to the operating profit for the period of Baht 125.77 million and share subscription as warrants exercised of Baht 353 million. However, there was dividend paid of Baht 113.98 million during this period.



Risk factors and the factors that affect investment decisions

Risk factors and the factors that affect investment decisions

Fortune Parts Industry Public Company Limited is striving to operate the business to achieve the goal which covers risk management in strategic, operation, financial and compliance with relevant regulations. To operate risk Management with a clear direction, in accordance with the business strategy and goals under the framework of good corporate governance, the company has categorized the type of significant risk management as follows;



1. Strategic Risk

The company has a strategic goal that will drive growth so it is necessary to invest in business expansion and to maintain the competitiveness of the company by improved production processes in countries with new technologies and innovations, and expansion into new businesses such as entering into the biomass power generation business. The company has continuously sought opportunities to invest. If the company is able to invest in expanding the business as planned, it will be an important part to achieve the long-term strategic goal. However, there may be uncertainties which could be both risks and opportunities, the company; therefore, has to plan such operations carefully and concisely to control the investment to be as targeted.

For the investment of large-scale projects with high investment value, the company has a guideline to manage the uncertainty of investment that may occur by determining the investment consideration process of the company. The process is including the procedure which covers the period of seeking investment opportunities and the feasibility study period of the investment project. In each step, there will be executives and experts involved in each area to consider and give opinions on investment in a comprehensive manner. For instance, considering the consistency with the company's growth strategy, the return on investment to meet the criteria of the company



Risk factors and the factors that affect investment decisions

and the assessment of project risk management. The consideration will be done by the Risk Management Committee to consider and scrutinize the adequacy of risk assessment, to consider the risk management measures before presenting to the Board of Director, and to regularly monitoring the progress of risk management following the guidelines.

Organizational strategy management with changes in the external environment that is currently becoming more global awareness of energy and environmental crises. The European's automotive industry has started to stop using fossils and start to use renewable energy. Therefore, this is the cause of changes in the use of electric vehicles and is the driving force passed to the Thai government. As a result, there is an approval of the plan to support investment in the electric vehicle assembly industry and related parts manufacturing industries. In addition, there is a tendency to change technology to other auto parts industries, such as focusing on lightweight products, shapes, sizes, new materials that change and vehicles that have self-defense systems. The change of these technologies is considered a risk that may affect the ability to compete and generate revenue to meet the company's goals. The company, therefore, has a policy to promote and support research and development in such matters, as well as, promoting the learning of technology related to electric vehicles to prepare and to support new technologies that are rapidly changing which may affect production and services by focusing on innovation that is environmentally friendly, safety, and energy saving.

In addition, the company continuously perceives the importance of personnel development to welcome the entering of automation system such as automatic machine and semi-automatic machines in the production process by promoting learning, seminars, and field trips, and try to apply those in the company. This is to support cost reduction policy, increase productivity, to reduce waste and to help reduce accidents. Above all, this is to reduce the risk of responding to customer needs in terms of product cost reduction.

2. Operation Risks

The company has given importance in building quality assurance throughout the process to get excellent products and services that can create maximum customer satisfaction. The company monitors the risk of product damage, insufficient production risks in the future, as well as, the risk of problems from external service providers or manufacturers whose risks could lead to the company may not be able to produce and deliver products to customers on time.

Therefore, the company has set up 2 operational risk assessment a year by executives of each department throughout the organization to find out the risks that exist in the organization and issues the risk mitigation plan for each issue. The company also creates a risk management plan for production such as making an emergency backup plan, forecasts analysis of customer needs, studies and prepares a backup plan for sufficient production capacity, prepares preventive maintenance plan and forecasting plan as well as important spare parts ready. Moreover, the company has requested international standard certification according to the new version of the system, quality management or IATF16949: 2016, which is a special



Risk factors and the factors that affect investment decisions

standard for the automotive industry. The company would like to build quality assurance throughout the process and bring other management systems such as ISO14001; environmental management system, OHSAS18001; occupational health and safety management system, and ISO50001; energy management system to help control operational risks.

The company also set up a process of internal audit system to strictly protect from quality of raw material, production process, and delivery of products to customers. The company has set clear goals for controlling waste, sent and encouraged all employees to have quality consciousness, controlled the price and prepared primary raw materials that may affect the process as follows;

2.1. Risk on material price and material procurement

The main materials that the company uses in production process are Acrylonitrile Butadiene Styrene (ABS) and Polypropylene (PP). 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 could effectively manage the procurement of raw material, so that the impact was not so great. The company has a policy of not relying on a particular distributor. In the past, the company was not affected by the supply of the raw material. To reduce the impact factor beyond the control of the company, the company has improved the production formula to accommodate a wider variety of materials.



Risk factors and the factors that affect investment decisions

2.2. Risk on water management

In 2018, as a result of climate change in many areas, drought was a major problem of the country. Therefore, it is crucial to effectively allocate water for all sectors. Although in the past year the company has no impact, the company has prepared a plan to support water shortage problems to prepare with caution.

Mitigation Measures:

The company has set a policy to use water effectively with self-reliance by reducing water usage, recycled water, find supplementary water sources along with monitoring the water allocation of the government by implementing the 3R (Reduce, Reuse and Recycle) project. The company is focusing on improving the production process to reduce the amount of water used at the appropriate level (Reduce), reuse water to reduce the demand for water from outside (Reuse), water treatment of the used water and then bring back those water to the production process again (Recycle). This project will reduce the demand for water from external water sources. Therefore, the company is ready to cope with the water shortage situation if it happens and increase the ability to deal with it. As the company implements various measure, the company could ensure that all processes, activities and procedures in operation and quality supervision of the products are treated strictly.

3. Financial Risk

Even though in the year 2018, the automotive industry has a tendency to grow but the company still gives importance to managing financial liquidity. The company conducts business under conservative financial policy, both in debt to equity ratio, bad debt control, and control of exchange rate fluctuations. Thus, the company could run the business continuously and be able to invest to support future growth while maintaining the ability to pay dividends to shareholders. In 2018, the debt to equity ratio was 0.52 times, which continued to decrease from the previous year. For the foreign exchange risk management, the company has made forward contracts according to the situation and necessity. The policy to buy foreign exchange in advance covers foreign trade accounts receivable for approximately 6 months to prevent fluctuations. Therefore, the company could manage exchange rate fluctuations. Furthermore, the Company has measures to control the significant risks of finance as follows:

3.1. Risk of having customers in Sanctioned Countries List

The company exports and sells to customers located in the sanction countries list which are the countries with sovereignty concern under U.S. Department of Treasury such as Iran, Iraq, Libya, Sudan, Syria, Afghanistan and Myanmar. The company may have risk of not be able to collect money from these countries.





Risk factors and the factors that affect investment decisions

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 are approximately in an average of 5%-9% of total revenues. However, the company is always cautious on selling to these countries by dealing with only the existing customers who have strong statement and good credit profile. For new customers, they have to transfer money before the company delivers the products (T/T before Shipment).

3.2 Risk from no long-term contracts

Practically, there is no long term contract with customers in automotive parts industry. For Original Equipment Manufacturing, there is a mold production contract and minimum purchasing order. For Replacement Equipment Manufacturing, there is no contract agreement but there will be purchasing order. In case of spare part that is 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, an efficiency in delivery of product on-time could affect the customer's confident toward the company. As a result, currently, the company's customers place a confident to the company, even though there, is no long-term contracts, 75% of the clients has been the customers of the company for more than 10 years.

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

As of 31 December 2018, the holdings of Tanadumrongsak's group accounted for 989,602,772 shares, which is 65.41% 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:

The management structure of the company consists of the Board of Directors and 7 sub-committees, namely Audit Committee, Nomination Remuneration Committee, Executive Committee, Risk Management Committee, Corporate Governance and Sustainability Development Committee, and Working Group on



Risk factors and the factors that affect investment decisions

Anti-Corruption. The Executive Committee has full qualifications according to Section 68 of the Public Limited Companies Act BE 2535 and according to the relevant Capital Market Committee announcement. The Audit Committee will come to perform the audit, consider and scrutinize to prevent any transactions that may cause conflicts of interest, as well as, to ensure transparency in the operation of the company. Moreover, the structure of the Board of Directors consists of 2 executive directors and 8 non-executive directors, including the Chairman of the Board and 5 directors of the Audit Committee. Such director structure will result in a balance of voting to consider various issues and helps to supervise the administration appropriately and effectively.

Furthermore, the company has a policy regarding connected transactions with directors, major shareholders or the person who has control power in the business and persons who may have conflicts of interest. The company would consider the comparison of conditions with other third parties first, then bringing various items into consideration by the Audit Committee in all cases before submitting to the Board of Directors for approval in the next step. The person who has a conflict of interest will not have the authority to approve the report. The Audit Committee will be responsible for monitoring the related transactions every quarter in order to ensure accuracy in the operation.

4. Compliance Risks

The Company places importance on compliance with rules and regulations related to business operations continuously. The company has prepared the charter of laws and regulations, whether it is law issued by the Ministry, Sub-Ministry, Department, as well as laws and regulations of the company who registered in the Stock Exchange and the customer requirements.

Those laws, rules, regulations, and regulations relating to such business operations will be reviewed, improved and evaluated for consistency by the Legal Department who has responsible for closely supervising and determining and also set up the person responsible for the operation. This is to comply with the law and to build confidence in term of product quality and administration throughout the process. Therefore, there is a monitoring of important risks such as complaints from the delivery of products or products that have not meet quality standard, including damaged products during transportation to customers. Therefore, the company has established a team of experts in law to study the limitations of various laws, assess the likelihood of an event, tracking and analyzing the impact, and obstacles to the expansion of the organization both at domestic and international.

For occupational health, safety and the environment, the company pays attention to the quality of life, employees, contractors and visitors. The company also complies with laws and regulations relating to the impact on occupational health, safety and the environment. Therefore, the company has set the policy, indicators, plans, remunerations, and responsible persons. In another word, in occupational health and safety, the management has announced the policy of "Occupational Health and Safety and Working Environment "with zero accident





Risk factors and the factors that affect investment decisions

goals. There is a strategy to reduce and prevent accidents according to the 3 E (Engineering Education Enforcement) guidelines, which have carried out activities in the past year, such as Near Miss Accident Report View Point, Completely Check Completely Find out, Safety Shop Floor Management, Safety Culture, Safety Standard, Machine Safety, Safety Week, 5S activity, and Kaizen suggestion.

For environmental care, the company has requested certification of international standard according to the new version of the environmental management system (ISO14001: 2015) in 2018. The company has trained the risk assessment, characteristics of environmental problems and product life cycles. The company also prepared various activities projects. For example, there is an environmental quality measurement (waste water, waste air, industrial waste) both within the factory and community. There are projects to reduce energy consumption and various waste, updated and adopt technologies that are environmentally friendly and save energy to be installed in the factory Operation Control. Furthermore, there are periodic internal inspections, reviewed by the management. The company is also certified for Carbon Footprint for Organization (CFO), Carbon Footprint Products (CFP) and Carbon Footprint Reduction. : CFR) from the Greenhouse Gas Management Organization in order to promote and reduce greenhouse gas emissions in the production process and partners.

Shareholding Structure

1. The Number of Registered and Paid-up Capital

As at 31 December 2018, the company has registered capital of Baht 378,659,541.75. It is divided into ordinary share of 1,514,638,167 shares, registered share with paid-up of Baht 378,257,483.50 which divided into ordinary share of 1,513,029,934 shares with a par value of Baht 0.25.

2. Shareholders Structure

Shareholding structure as at 31 December 2018 as follows:

Major Shareholders		# shares	% Shares
1.	Tanadumrongsak Group	989,602,772	65.41
	Mr. Sompol Tanadumrongsak	415,616,844	27.47
	Ms. Atchara Tanadumrongsak	133,833,500	8.85
	Mr. Yanyongchai Tanadumrongsak	108,460,000	7.71
	Mr. Somkit Tanadumrongsak	95,460,000	6.31
	Ms. Maleerat Tanadumrongsak	60,492,000	4
	Ms. Thanpicha Tanadumrongsak	43,621,578	2.88
	Mrs. Lawan Tanadumrongsak	36,254,000	2.4
	Mr. Apisit Tanadumrongsak	27,115,000	1.79
	Mr. Sangcharean Tanadumrongsak	27,115,000	1.79
	Mr. Apirath Tanadumrongsak	21,986,700	1.45
	Mr. Sangthavee Tanadumrongsak	10,745,000	0.71
	Mr. Sangchai Tanadumrongsak	8,903,150	0.5
2.	Mrs. Raweewan Mathong	87,183,000	5.76
3.	Mr. Surapol Piyatheerathitivorakul	52,702,700	3.48
4.	OCBC SECURITIES PRIVATE LIMITED	34,500,000	2.28
5.	Mrs. Malee Jongsuvanit	14,883,400	0.98
6.	Mr. Thanasith Panyataranont	12,353,700	0.82
7.	Mr. Nattapon Karnjonchusak	11,461,800	0.76
8.	Ms. Arporn Saeneepakornkrai	10,000,000	0.66
9.	Ms. Patsuda Vongved	9,965,575	0.66
10.	Mr. Veera Wongchaemcharoen	9,000,000	0.59
11.	Mr. Phisit Piphatwilaikul	8,700,000	0.69
12.	Ms. Chatnapa Tetanonsakul	7,612,300	0.52
13.	Ms. Jiranan Areemitr	7,523,750	0.50
14.	Others Shareholders	257,242,437	17
Total		1,513,029,934	100.00



Shareholding Structure

3. The Shareholders of the Company and their spouse

As at 31 December 2018 as follows:

	Director Name/Spouse	2016	2017	2018	+/(−)
1	Mr. Sompol Tanadumrongsak	315,044,844	315,044,844	415,616,844	+100,572,000
2	Mr. Somkit Tanadumrongsak	86,768,000	86,768,000	95,460,000	+8,692,000
3	Mr. Yanyongchai Tanadumrongsak	86,768,000	96,768,000	108,460,000	+11,692,000
4	Mrs. Raweewan Mathong	43,384,000	43,384,000	87,183,000	+43,799,000
5	Mr. Sangcharean Tanadumrongsak	21,692,000	21,692,000	27,115,000	+5,423,000
6	Mrs. Nussara Tanadumrongsak (Spouse)	622,800	678,500	378,500	-300,000
7	Mr. Anant Gatepithaya	-	-	-	No change
8	Mr. Pumipat Sinacharoen	-	-	-	No change
9	Mr. Suthanai Prasertsan	-	-	-	No change
10	Mr. Anantachai Yoonprathom	-	-	-	No change

4. Interests of the directors, either directly or indirectly in any contract during the year 2018

- None -

Dividend Payment Policy

Dividend Payment Policy

Company has dividend payment policy to shareholders in the rate of 30% of net profit after deducted corporate income tax and any reserved funds that are defined in the company's regulation and laws. Nonetheless, dividend as mentioned could be changed depends on the company's operating result, cash flow, economic, the necessity of using the company's working capital, and expansion of business in the future. In addition, the resolution of the Board of Directors for the approval of dividend payment should be proposed for the approval of Annual General Meeting of the shareholder, except the interim dividend payment that the Board of Director can authorize to pay and report in the next Annual General Meeting of the shareholder.

Dividend payment information	2016	2017	2018
Interim Dividend	0.06	0.06	0.04
Annual Dividend	0.10	0.04	0.04
Earnings Per Share	0.24	0.15	0.09
Dividend payout ratio	67.89%	67.71%	95.00%



Organization Structure

Organization Structure

The Company's management structure consists of the Board of Directors, and six Sub-Committees which are Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee, Corporate Governance and Sustainable Development Committee, and Anti-Corruption Committee. All members of the board and management of the company are qualified under Section 68 of the Companies Act, 1992 and the notification of the Capital Market Committee. The details of the company's management structure are as follows:



The Board of Directors

The Board of Directors consists of 10 directors:

Name-Surname			Position
1.	Mrs. Raweewan	Mathong	Chairman of the Board
2.	Mr. Sangcharean	Tanadumrongsak	Chairman
3.	Mr. Sompol	Tanadumrongsak	Director and Chief Executive Officer
4.	Mr. Somkit	Tanadumrongsak	Director
5.	Mr. Yanyongchai	Tanadumrongsak	Director
6.	Mrs. Nussara	Tanadumrongsak	Director
7.	Mr. Suthanai	Prasertsan	Independent director and Chairman of Audit Committee
8.	Mr. Anant	Gatepithaya	Independent director and Director of Audit Committee
9.	Mr. Pumipat	Sinacharoen	Independent director and Director of Audit Committee
10.	Mr. Anantachai	Yoonprathom	Independent director and Director of Audit Committee

Organization Structure

Mr. Sarayuht Ouybuan is the company Secretary which is appointed in the Board of Director Meeting No. 1/2019 held on 21 February 2019.

Directors Authorized to Sign and Bind for the Company

The name of the authorized directors who may sign and bind for the company are Mr. Sompol Tanadumrongsak and Mr. Sangcharean Tanadumrongsak or Mr. Yanyongchai Tanadumrongsak or Mrs. Nussara Tanadumrongsak, in total of two people to sign jointly and affix the company's seal.

Term of Director in the Position

In every Annual Ordinary Meeting, one-third (1/3) of the directors shall retire from the company. If the number of the directors is not in a multiple of three, the number of directors nearest to one-third (1/3) shall retire. The directors retiring from the company in the first and second year after the registration shall be made by drawing lots. For the subsequent years, the directors who have been in the position the longest shall retire. The retiring directors may be re-elected.

Authorities and Responsibilities of the Board of Directors

The Board of Directors have duty and responsibility to oversee 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 shareholders. Notable authorities and responsibilities of the Board are summarized below:

- (1) Dedicates their time and attention to the vision, mission and strategic direction of the company. 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) Reviews and approves strategies and significant policies, as well as objectives, financial goals, budgets, investments, projects, business contracts, important agreements beyond the authority of Chief Executive Officer and management, 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 could effectively use the strategies, directions, and visions of FPI to perform.
- (3) Devies 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 fairness to all stakeholders.





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- (4) Ensures that accounting system, financial reporting, and auditing are credible. The Board also supervises the assessment of internal control's appropriateness and makes certain that internal audits are performed efficiently and effectively.
- (5) Considers all relevant risk factors and devises comprehensive risk management plans. In extension, the Board monitors 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) 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) Provides appropriate channels of communication with shareholders, as well as, making certain that any disclosure of information is accurate, transparent, credible and having highest standards.
- (8) Conducts assessments and reviews themselves, the Chairman of Executive Committee and the Managing Director.
- (9) Provides a system or mechanism that determines appropriate remuneration for the company's executives relative to the profitability of FPI's operations to create motivation in both short-term and long-term.
- (10) Acts as the leaders and role models in accordance with the company's Corporate Governance Policy.
- (11) Assesses the company's adherence to the Corporate Governance Policy and Business Code of Conduct at least once a year.
- (12) Provides an appropriate, transparent, and fair nomination system for all significant managerial positions. FPI's Senior Executives, from Vice President to Chairman of Executive Committee, are appointed by the Board's majority votes.
- (13) Reports to FPI of any conflicts of interest of themselves and their affiliates that may have towards the management of FPI or the company's subsidiaries.
- (14) Each Director must attend every Board meeting, as well as every shareholders meeting. If there is any other circumstances that the 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 promoting the well-being and sustainability of Thai society by starting with the

Organization Structure

improvement of living standards of communities around FPI's plants, fostering an environment where FPI's plants and the communities can sustainably live together.

(16) 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 additions 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 of Director

1. The shareholders' meeting may vote to appoint Director(s) according to the following guidelines:
 - 1.1 A Shareholder has one vote per share.
 - 1.2 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 following (1), without dividing their votes.
 - 1.3 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 following (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.





Organization Structure

2. 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; however, the Chairman will vote 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 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.
3. 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 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 every Annual General Meeting, one-third of the serving Directors has to step down from the position. If the number of serving Directors cannot be equally divided into three, the number of Directors stepping down should be as nearest to the ratio of 1:3 as possible. Directors that should step down in the first and second years after company registration would be randomly selected; however, for the next years, Directors with the stay in the position for the longest should 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 from the day FPI receives the notice. In addition, Directors may also submit their resignation notice through the Registrar.
4. The shareholders' meeting may pass a resolution to force termination of a Director before his/her term ends with three-fourth of the attendance with eligible shareholders' votes. Additionally, these majority votes must constitute at least half of the shares held by the attendance and eligible shareholders.

Organization Structure

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 (the SEC's limitation is 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 the meetings. 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 4 Independent Directors, which is equal to 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 of Director 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. 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. May seek independent consultation from an outside when necessary. FPI will absorb the expenses incurred.
3. 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. Review and make adjustments to the Charter of Independent Directors in an effort to make it more appropriate and up to date.
5. 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.



Organization Structure

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As at 31 December 2018, the Audit Committee comprises of 4 members as follow;

Name – Surname		Position
1.Mr. Suthanai	Prasertsan	Audit Committee (Independent Director)
2.Mr. Anant	Gatepithaya*	Audit Committee (Independent Director)
3.Mr. Pumipat	Sinacharoen*	Audit Committee (Independent Director)
4.Mr. Anantachai	Yoonprathom	Audit Committee (Independent Director)

Remark: * The members of audit committee have knowledge and experience to verify reliability of the financial statements. 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 of 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.



Organization Structure

FPI's Audit Committee is comprised of 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 2018, 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 of Audit Committee

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.



Organization Structure

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

7. To take care of any other action assigned by the Board of Directors with the consent of audit committee.

Executive Committee



EXECUTIVE COMMITTEE



Organization Structure

Executive committee comprises of 8 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. Kiattisak	Chairuamkul	Executive Committee
4. Mr. Kowit	Akkharaatimart	Executive Committee
5. Mr. Sungvien	Meethong	Executive Committee
6. Mr. Sarayuht	Ouybuan	Executive Committee
7. Mr. Thongchai	Wiwong	Executive Committee
8. Dr. Saruda	Chitchuea	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 No. 2/2019 on 21 February 2019 appointed Mr. Sarayuht Ouybuan as a company's secretary. According to the regulation in article 89/15 of the Public Company Act 1992, the company secretary has a responsibility as follow;

1. Produces and keeps 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.





Organization Structure

2. Keeps stakeholder reports that have been submitted by members of the Board of Directors or the Executive committee
3. Be responsible for any other tasks following orders and announcements of the Capital Market Supervisory Board.
4. Ensures 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. Communicates with shareholders, investors, and related organization as well as inform useful company information to interested person and stakeholders.
6. Provides preliminary advice and recommendation pertaining to legal, regulatory, and governance issues and practices to the Committee, Sub-committee.
7. Attends 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

1. Mr. Sarayuht Ouybuan

Education: Bachelor of Accounting, Ramkhamhaeng University

Master of Business Administration in management, Eastern Asia University

Training Program:

- Social Business program for executive Asian Institution of Technology
- Sustainability Risk and Materiality Analysis
- Social Responsibility Management for Sustainable Development
- Insights into the CG Report assessment criteria
- Risk management for modern organizations
- Corporate Sustainability Advisory Program 2016
- Corporate Social Responsibility Management for Sustainable Development
- Know new securities laws How to act correctly (Class action) SEC
- CSR-Management
- Advance For Corporate Secretaries
- Fundamentals For Corporate Secretaries
- Smart Disclosure Program (SDP)



Organization Structure

Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 3 Directors, following the company's Board of Director No. 4/2018 held on 11 May 2018. The meeting was proposed to appoint sub-committee. The Nomination and Remuneration Committee's Directors are:

Name – Surname	Position
1. Mr. Pumipat Sinacharoen	The Chairman of Nomination and Remuneration
2. Mr. Anant Gatephitaya	Nomination and Remuneration Committee
3. Mr. Anantachai Yoonprathom	Nomination and Remuneration Committee

Mr. Sompol Tanadumrongsak is the secretary of Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of at least 3 Directors and more than half of the 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 includes 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 candidates must be presented to the Board and/or the shareholders' meeting for appointment and approval.

The Board of Director 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 2018, 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 Director. The Nomination and Remuneration Committee also reports its performance to the Board before further submitting a summary to shareholders in the annual report.



Organization Structure

Risk Management Committee

Name – Surname			Position
1.	Mr. Anant	Gatephitaya	Chairman of Risk Management Committee/ Independent Director
2.	Mr. Suthanai	Prasertsan	Vice Chairman of Risk Management Committee/ Independent Director
3.	Mr. Sompol	Tanadumrongsak	Vice Chairman of Risk Management Committee
4.	Mrs. Nussara	Tanadumrongsak	Director of Risk Management Committee
5.	Mr. Kiattisak	Chairuamkul	Director of Risk Management Committee
6.	Mr. Kowit	Akkharaatimart	Director of Risk Management Committee
7.	Mr. Sarayuht	Ouybuan	Director of Risk Management Committee
8.	Mr. Sungvien	Meethong	Director of Risk Management Committee
9.	Mr. Thongchai	Wiwong	Director of Risk Management Committee
10.	Mr. Bunphai	Khumsaensuk	Director of Risk Management Committee
11.	Dr. Saruda	Chitchuea	Director of Risk Management Committee
12.	Mr. Prajak	Sripha	Director of Risk Management Committee
13.	Ms. Nattiya	Klinchan	Director of Risk Management Committee
14.	Mr. Natthawat	Rotkeaw	Director of Risk Management Committee
15.	Ms. Sirilak	Pattatung	Director of 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 2018, the Risk Management Committee held a total of 2 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 2018, the Board of Directors, Sub-Committees, and Independent Directors held pre-schedule meetings. 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 with detailing of the reasons. The Chairman informed the meeting of missing Director(s) prior to commencing every meeting.

Organization Structure

The Anti-Corruption Committee

Approved by the Board of Directors Meeting No. 5/2018 held on 5 September 2018 has resolved to approve the guidelines for the implementation of Anti-Corruption standardization as follow:

Name – Surname		Position
1. Mr. Anant	Gatephitaya	Chairman of Anti-Corruption
2. Mr. Suthanai	Prasertsan	Vice Chairman of Anti-Corruption
3. Mr. Sompol	Tanadumrongsak	Vice Chairman of Anti-Corruption
4. Mrs. Nussara	Tanadumrongsak	Anti-Corruption Group
5. Mr. Kiattisak	Chairuamkul	Anti-Corruption Group
6. Mr. Kowit	Akkharaatimart	Anti-Corruption Group
7. Mr. Sarayuht	Ouybuan	Anti-Corruption Group
8. Mr. Sungvien	Meethong	Anti-Corruption Group
9. Mr. Thongchai	Wiwong	Anti-Corruption Group
10. Mr. Bunphai	Khumsaensuk	Anti-Corruption Group
11. Dr. Saruda	Chitchuea	Anti-Corruption Group
12. Mr. Prajak	Sripa	Anti-Corruption Group
13. Ms. Nattiya	Klinchan	Chairman of Anti-Corruption
14. Mr. Natthawat	Rotkeaw	Vice Chairman of Anti-Corruption
15. Ms. Sirilak	Pattatung	Vice Chairman of Anti-Corruption

Roles and Responsibilities of the Anti-Corruption Committee

1. The Board of Director has 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 is responsible for reviewing financial reporting and accounting systems, internal control systems, internal audit and risk management system to ensure that they followed the international standards, 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 major steps of risk management process are risk identification, risk assessment, risk management control and monitoring, and reporting risk. This is to consistently provide adequate and effective risk management. The risk management process covers the strategic risk, operational risk, financial risk and the risk of non-compliance with laws and regulations, including the risk of corruption. The company has already adopted anti-corruption policies into practice and arranged the notification policy for violations of ethical misconduct or fraud as well.
4. The Executive Committee is responsible for creating the system, promote and advocate policies against corruption in order to communicate to employees and stakeholders for the appropriateness of systems and measures. This is to comply with changes in the business articles and legal requirements.



Organization Structure

5. Managing Director and Deputy Managing Director are responsible and accountable for monitoring and review the work to ensure that it meets policy guidelines and legal requirements of regulatory agencies. This is to ensure that control systems are suitable and sufficient for the risk that corruption may occur and report to the Audit Committee.
6. Division Managers have a duty and responsibility to control operations according to the policy.
7. Committee team has been 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 as follows;

Name – Surname			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 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 toward 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 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 who has completed 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),

Organization Structure

the Board of Director 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

To manage the organization with honest, open, transparent and verifiable, the company has therefore determined the scope of duties and responsibilities of the Corporate Governance Committee as follows:

1 Recognizing the roles and responsibilities of the Board of Directors as an organization leader that creates value for a sustainable business

- 1.1 Understand the role and awareness of the responsibility as a leader to supervise the organization to have a good management. Which covers;
 - (1) Determining objectives and goals
 - (2) Strategy formulation, operational policy, as well as allocating important resources to achieve the objectives and goals
 - (3) Monitoring, evaluating and supervising the performance report
- 1.2 Create value for sustainable business. The committee should supervise the business to lead to at least the following results;
 - (1) Able to compete and have good performance by taking into account the long-term impact
 - (2) Conduct business with ethics, respect the rights and have responsibility to shareholders and stakeholders
 - (3) Beneficial to society and develop or reduce negative impacts on the environment
 - (4) Adaptable under the change factor
- 1.3 Ensure that all directors and executives perform their duties with responsibility, conservative and honest with the organization. Also, ensure that the operations are in compliance with the laws, regulations and the resolution of the shareholders' meeting
- 1.4 Clearly understand the scope of duties and responsibilities of the Board of Director and determine the scope delegation of duties and responsibilities to the managing director and the management. Also, follow up and supervise the managing director and the management to perform the duties as assigned.





Organization Structure

2 Determine the objectives and main goals of the business for sustainability

- 2.1 Determine or supervise the objectives and main goals of the business for sustainability, which are the objectives and goals that are consistent with creating value for both the business, customers, stakeholders and society as a whole
- 2.2 Ensure that objectives and goals, as well as strategies in the medium and / or annual periods of the business in line with the objectives and goals of the business by using innovation and technology to use appropriately and safely

3 Build efficient directors

- 3.1 Responsible for determining and reviewing the board structure for both the size and the composition of the proportion of independent directors that is appropriate and necessary to lead the organization to the stated objectives and goals.
- 3.2 Select the appropriate person to be the chairman of the board, and ensure that the elements and the operation of the committee is conducive to independent discretion in making decisions
- 3.3 Supervise the selection and select directors with transparent and clear processes to obtain a board that has qualifications consistent with the specified elements
- 3.4 Propose the remuneration for the Board of Director to shareholders for approval. The board should consider the structure and the compensation rate that is appropriate with responsibility and motivation for the board to lead the organization to operate according to both short and long term goals.
- 3.5 Supervise the directors to be responsible for the operations, duties and adequate time allocation
- 3.6 Supervise to have a framework and mechanism for overseeing the policies and operations of subsidiaries and other businesses invested by the company at an appropriate level for each business, including subsidiaries and other businesses invested by the company to have correct understanding as well.
- 3.7 Provide an annual performance evaluation of the Board of Director, sub-committees and individual directors. The assessment results should also be used for further development of duties.
- 3.8 Supervise the Board of Director and each director to have knowledge and understanding about roles, duties, nature of business and laws related to business operations to ensure that all directors receive regular skills and knowledge for performing their duties.

Organization Structure

- 3.9 Ensure that the operation of the Board of Director is completed with access to necessary information and the company secretary has the necessary knowledge and experience to support the Board's operations.

4 Recruitment and development of senior management and personnel management

- 4.1 Ensure that there is a recruitment and development of the managing director and senior management to have knowledge, skills, experience and the features needed to drive the organization towards the goal
- 4.2 Supervise and ensure that the compensation structure and evaluation are appropriate
- 4.3 should understand the structure and relationship of shareholders that may affect the management and operation of the business
- 4.4 Monitor the management and development of personnel to have the appropriate amount of knowledge, skills, experience and motivation.

5 Promote innovation and responsible business practices

- 5.1 Give importance and support of the creation of innovations that create value for businesses in tandem With creating benefits for customers or those involved and having social and environmental responsibilities
- 5.2 Monitor and supervise the management team to conduct business with social and environmental responsibility and reflect in the action plan to ensure that all departments of the organization conduct in accordance with the objectives, main goals and strategic plans of the business.
- 5.3 Supervise the management to allocate and manage resources efficiently and effectiveness by taking into account the impact and development of resources throughout the value chain in order to achieve the objectives and main goals sustainably.
- 5.4 Provide a framework for governance and management of enterprise information technology that corresponds to the needs of the business including supervising the use of information technology. Also, increase business opportunities and improve operations risk management to enable the business to achieve its objectives and the main goal of the business





Organization Structure

6 Supervise to have appropriate risk management systems and internal controls

- 6.1 Ensure that the company has a risk management system and internal control that will achieve its objectives effectively and comply with relevant laws and standards.
- 6.2 Establish an Audit Committee that can perform duties efficiently and independently.
- 6.3 Monitor, supervise and manage conflicts of interest that may occur between companies, management, and the board of director or shareholders. Also, the prevention of undue use of property, information and company opportunities, and transactions with those who are connected to the company in an inappropriate manner
- 6.4 Supervise the establishment of clear anti-corruption policies and practices, and communicate at all levels of the organization and to outsiders for real implementation
- 6.5 Ensure that the business has a mechanism to receive complaints and actions in case of clues

7 Maintain financial credibility and disclosure.

- 7.1 Ensure the financial reporting system and disclosure of important information is accurate, sufficient, on time and in accordance with the rules, standards and related practices.
- 7.2 Monitor the adequacy of financial liquidity and debt repayment ability.
- 7.3 Have plans to solve problems or have other mechanisms that can solve financial problems when the business is experiencing financial problems or is likely to experience problems under the consideration of the rights of stakeholders
- 7.4 Prepare sustainability reports as appropriate.
- 7.5 Supervise the management to set up an investor relations department responsible for communicating with shareholders and other stakeholders, such as investors, analysts, in an equitable and timely manner.
- 7.6 Promote the use of information technology in information dissemination.

8 Support participation and communication with shareholders

- 8.1 Ensure that shareholders are involved in making decisions on important matters of the company.
- 8.2 Ensure that the operation on the date of the shareholders' meeting is complete, transparent, efficient and facilitates shareholders to exercise their rights.
- 8.3 Ensure the disclosure of the resolutions of the meeting and the preparation of the minutes of the shareholders meeting are correct and complete

Organization Structure

4. Responsibilities

The Corporate Governance Committee is responsible directly to the Board of Director in accordance with the duties and responsibilities assigned to them. Additionally, the Board of Director 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 equal vote, the Chairman of the Corporate Governance Committee can have one more voting right to make a final decision.

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.

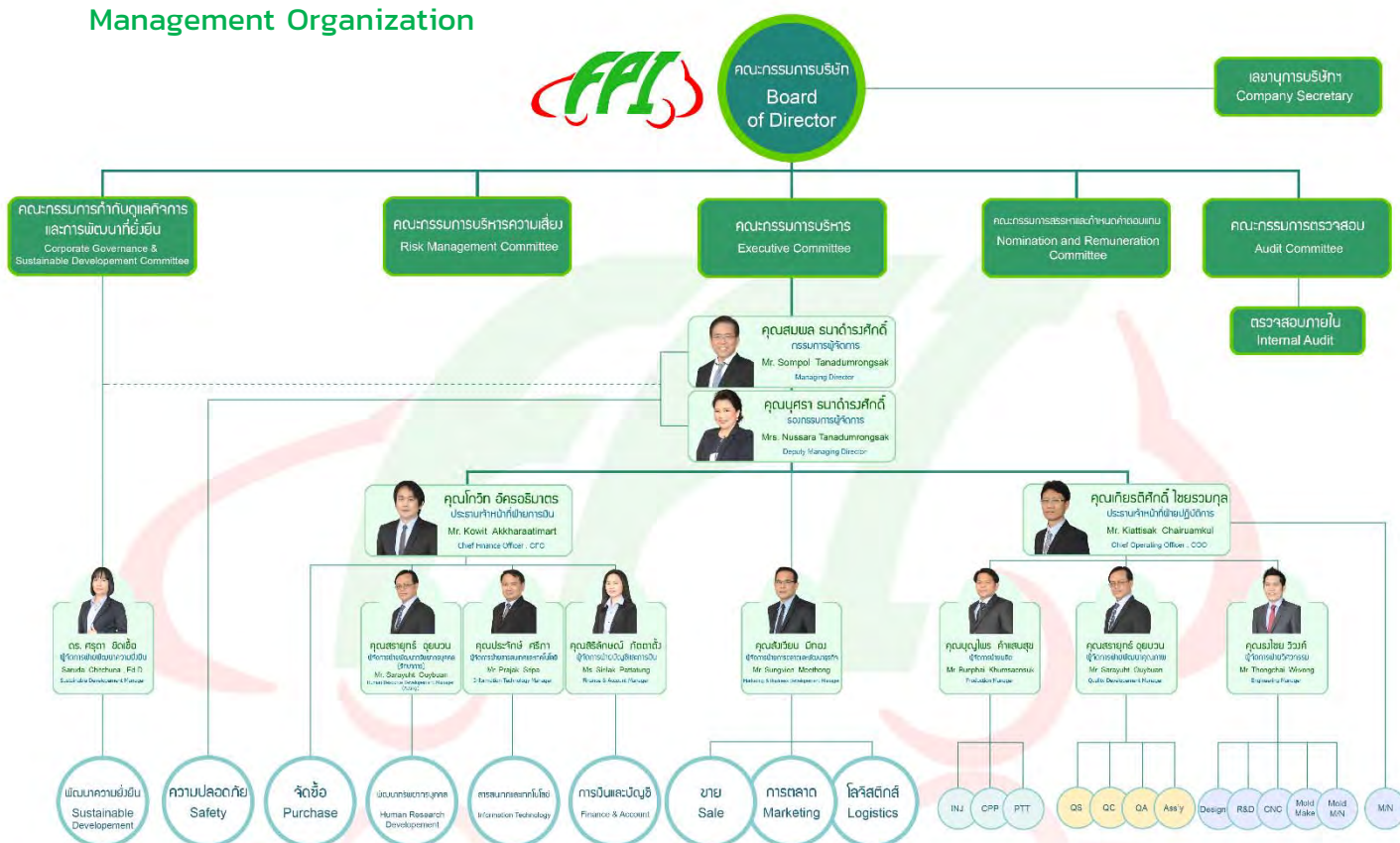
The composition of the Corporate Governance Committee consists of the company's directors at least 5 people and more than half of them must be independent directors. The Chairman of the Corporate Governance Committee must be an independent director with the term of office for 3 years or ending the term of office with reasons of termination of the position of the company's director, resignation or removal.

The Corporate Governance Committee is responsible for determining guidelines for policy recommendations regarding business ethics and ethics in accordance with the good corporate governance system to the Board of Directors, so that the Board of Director could set the organization's rules and regulations in order to be a guideline of the standard organization and is a correct approach.



Organization Structure

Management Organization



The Management comprises of 11 members as follow:

Name – Surname			Position
1.	Mr. Sompol	Tanadumrongsak	Managing Director
2.	Mrs. Nussara	Tanadumrongsak	Deputy Managing Director
3.	Mr. Kiattisak	Chairuamkul	Chief Operating Officer
4.	Mr. Kowit	Akkharaatimart	Chief Finance Officer
5.	Mr. Sungvian	Meethong	Marketing and Business Development Manager
6.	Mr. Sarayuht	Ouybuan	Quality Development Manager
7.	Mr. Thongchai	Wiwong	Engineering Department Manager
8.	Dr. Saruda	Chitchuea	Sustainability Development Manager
9.	Ms. Sirilak	Pattatung	Accounting and Finance Department Manager
10.	Mr. Prajak	Sripha	Information and Technology Manager
11.	Mr. Bunphai	Khumsaensuk	Production Department Manager



Organization Structure

Scope of Authority and Duties of Managing Directors

1. Responsible for the management, supervision and administration of the company's daily operations, as well 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 Director.
2. 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. Determine the organizational structure, management approaches, and selection of staff, training, hiring and termination processes, remuneration, compensation and bonus package for staff members.
4. Monitor and report the company's status and propose appropriate alternatives and strategies that are cohere with the policy and market conditions.
5. Supervise and control different aspects of operations of the company.
6. Act on the company's behalf and serve as the delegate when in contact with the government agencies or other regulatory bodies.
7. 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. Ensure that corporate governance is being strictly practiced.
9. 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 Director.
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





Organization Structure

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 Chairman of the Board is under obligation to perform the following duties:

1. Serve as Chairman at meetings of the company's Board of Director.
2. Call the meeting of the company's Board of Director.
3. Make final vote in cases where the meeting of the company's Board of Director has voted and found the vote to be draw.
4. Serve as the Chairman at shareholders' meetings.

Report of

the Nomination and Remuneration Committee



Dear Shareholders,

In 2018, the Nomination and Remuneration Committee comprises of Mr. Pumipat Sinacharoen, the chairman of the Committee, Mr. Anant Gatepithaya (Director) and Mr. Anantachai Yoonprathom (Director). 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 in 2018's Annual General Shareholders' Meeting (AGM). It was opened for the shareholders to nominate qualified and desirable persons to be directors of the company for 2 months in advance. 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 a director who has finished their term during the year 2019. 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 Director and the Directors of each of the Sub-Committees for the year 2018 as well as the Directors' bonus for the year 2018. The consideration was made based on the Board of Directors' performance, economic situation and the company's performance in comparison with remunerations of Directors of other listed companies of similar size in the same industry then proposed to the 2018's 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



Report of

the Nomination and Remuneration Committee

companies in the same industry then proposed to the Board of Directors for approval.

3. Assessment of the Board of Directors' performance in 2018

- The Committee reviewed and adjusted all three assessment methods for the Board of Directors' performance in 2018, namely group assessment, individual self-assessment, and cross assessment. The goal was to make them more complete, up-to-date, and in line with good practice guidelines and the Stock Exchange of Thailand's guidelines. The assessment results are used as one of the criteria for determining the annual remuneration of the Directors in addition to the company's performance.

- The Committee also conducted an assessment on its own performance for the year 2018 and reported the results to the Board of Directors and disclosed the same in the Annual Report.

4. Performance development and improvement

- The Committee collaborates to set up the company's employees' development policy by reviewing the management structure and employees remuneration structure so that it is up to date and consistent with the company's business operation and relationship with business strategy for both short and long term. Therefore, it congruent with new good corporate governance.

- Performs diverse skill matrix of company's director that is appropriate to the business following international standard for using in recruitment and select the directors.

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



Mr. Pumipat Sinacharoen
Chairman of the Nomination and Remuneration
Committee



Directors Compensation

Directors Compensation

In 2018, the company has clearly specified compensation for 11 directors in remuneration, meeting allowances, and rewards which are accounted for Baht 4,147,232.96 in 2018, Baht 4,519,589.04 in 2017, and Baht 3,310,000 in 2016 as follows

(Unit : Baht)

Name		2016	2017	2018	No. attend the meeting (Time)
1.* Mr. Por Tanadumrongsak	Tanadumrongsak	270,000	270,000	-	-
2. Mr. Sangcharean	Tanadumrongsak	270,000	290,000	270,000	6/7
3. Mr. Sompol	Tanadumrongsak	270,000	290,000	280,000	12/12
4. Mr. Somkit	Tanadumrongsak	270,000	290,000	280,000	7/7
5. Mr. Yanyongchai	Tanadumrongsak	270,000	290,000	280,000	7/7
6. Mrs. Raweewan	Mathong	270,000	290,000	280,000	7/7
7. Mr. Naris	Chaiyasoot (Ph.D)	610,000	630,000	180,904.12	4/4
8. Mr. Anant	Gatepithaya	550,000	570,000	560,000	15/15
9. Mr. Pumipat	Sinacharoen	530,000	565,000	560,000	15/15
10. Mr. Suthanai	Prasertsan		421,835.62	626,328.84	15/15
11. Mr. Anantachai	Yoonprathom		406,835.62	550,000	13/13
12. Mrs. Nussara	Tanadumrongsak	-	205,917.80	280,000	11/11
Total		3,310,000	4,519,589.04	4,147,232.96	

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

According to the Annual General Meeting of Shareholders for the year 2018 held on 25 April 2018, there was a resolution that the remuneration of directors for the year 2018 are as follows:

- ✓ the remuneration paid for chairman of the audit committee was Baht 250,000 per annum/ per person
- ✓ The Chairman of the board, director and audit committee were Baht 210,000 per annum/ per person.
- ✓ Meeting allowance for director meeting was Baht 10,000 per person/per meeting.
- ✓ Meeting allowance for Audit Committee meeting was Baht 10,000 per person/per meeting.
- ✓ The special rewards of Audit Committee for the year 2018 will be paid based upon the business performance of the Company ended 31 December 2018 but will not exceed Baht 1,090,000. The company will propose to make such payment in the year 2019 upon obtaining an approval of the Annual General Meeting of Shareholders for the year 2019.
- ✓ The Audit Committee Meetings 4 times.
- ✓ The company held Board of Directors Meetings 7 times.
- ✓ The Nomination and Remuneration Committee Meeting 2 times.
- ✓ The Risk Management Committee Meeting 2 time.
- ✓ The Corporate Governance Committee Meeting 2 times.
- ✓ The company has no other fees paid to the committee.





Directors Compensation

Management Compensation

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

Unit: Thousand Baht

2016			2017		2018	
Type of remuneration	No.	Amount	No.	Amount	No.	Amount
Salary	7	15,121	7	16,199	10	20,001
Bonus	7	4,020	7	3,831	10	2,600
Other Compensation	7	4,968	7	5,372	10	4,809
- Provident Fund						
- Social Security						
- Employee Benefit						
Total	7	24,109	7	25,402	10	27,410

Employee Compensation and Return Characteristics

As at 31 December 2018, the company has 972 employees (excluding 10 executives) which are composed from 444 permanent employees and 528 daily employees as the following details:

Department	Permanent (Employees)	Daily (Employees)	Total (Employees)
Production	156	291	447
Engineering	58	24	82
Quality Development	87	138	225
Finance & Account	13	-	13
Management	5	-	5
Purchasing	5	-	5
MIS	8	-	8
Sale & Marketing	30	-	30
Logistics	41	69	110
Human Resource	41	6	47
Total	444	528	972

The Company has 972 employees in 2018. During the year, the company paid benefit to employees of Baht 161.71 million. The benefit are salary, bonus, overtime, social security, provident fund and other welfares. The company established provident fund with Ayudhya Master Fund to build morale and motivate employees to work with the company in the long term.





Directors Compensation

Other remuneration

The Company has provided the accidental insurance for all employees who have passed the probation period. In this year, the company has no significant change of employees to effect the company operation. There is no argument in term of labor in the past 3 years.

The Significant legal case during 3 years.

- None-





Human Resource Development Policy

Human Resource Development Policy

The company is aware that personnel is the valuable asset to the success of the company. The company has a policy to build potential and increase happiness in the workplace to the employees. This is to enhance motivation of all employees to collaborate working and reach the company's goals and objectives. The company's plan to develop employees are as follows:

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 well, speak well and do well.
- 3) Happy organization: Happy 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 of working system, working process and Talent Management as follows:

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



REPORT OF THE CORPORATE GOVERNANCE COMMITTEE



Dear Shareholders,

Conducting business in accordance with the principles of corporate governance and business ethics is an integral part of the company's mission that has been strictly implemented. The company considers that it is an important factor that enables the organization to achieve sustainable success in the future and achieve acceptable business development goals by having standards in line with good corporate governance principles, both domestically and internationally. The Board of Director appoints the Corporate Governance Committee to set up the policy, follow-up, and promote compliance with corporate governance principles and business ethics to create a strong organizational culture. There are 5 people in the Corporate Governance Committee;

Mr. Suthanai Prasertsan (Chairman),
Mr. Anantachai Yoonprathom (Vice Chairman),
Mr. Pumipat Sinacharoen (Vice Chairman),
Mr. Sompol Tanadumrongsak (Director) and
Mrs. Nussara Tanadumrongsak (Director).

In 2018, the Corporate Governance Committee performed their duties completely in accordance with the Corporate Governance Committee Charter and regularly reported the results of operations to the Board of Directors by arranging for a total of 2 meetings, with all directors holding positions attended the meeting and complete their duties, which can be summarized as follows:

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 which is a 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 Director for more than 2 months in advance of the 2018's AGM from 31 October 2018 to 31 December 2018.

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.





REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

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

1. The Committee approved the Corporate Governance and the Corporate Compliance Plans for 2018 in accordance with the Corporate Governance Code for listed companies 2018 (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 2018 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 Annual Report for the year 2018 and in the 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 2018 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 2018 individual and group performance assessments to the Board of Directors for their acknowledgement.





REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

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 the company 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

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Mr. Suthanai Prasertsan

Chairman of the Corporate Governance Committee





Corporate Governance Policy

Corporate Governance Policy

The Board recognizes the importance and benefits of good corporate governance. Therefore, the company has established a written corporate governance policy by applying the principles of good corporate governance for listed companies of the Securities and Exchange Commission (SEC), which have adopted the principles of good corporate governance for listed companies, as well as other relevant rules and regulations from the international standards to improve and cover all of the concepts or factors that have changed. This is to ensure that the company has an effective management, honesty, free from corruption, transparent and auditable. As a result, this could build confidence with shareholders, investors, stakeholders, society and all parties involved, as well as, added value to shareholders, promoting prosperity and sustainable growth of the company.

The Board is strictly supervise the company to conduct business with the highest corporate governance standards by assigning a significant obligation of the director. All employees are also obliged to perform in order to carry out the business of the company with efficiency and effectiveness, with stability and confidence in the public's investment to continuously and sustainably increase the value of the business.

Principles of compliance following corporate governance policy



Principle 1: Recognizes the role and responsibility of the Board as the leader of the organization that creates value for the sustainable business.

1.1 The Board understands the role and aware of responsibility as a leader who must supervise the company to have good management, which covers

(1) Determining the objectives and main goals of the company

(2) Formulating strategy, operating policy, as well as, allocate important resources to achieve the objectives and goals

(3) Monitoring, evaluating and supervising the performance report to create sustainable value for the company

1.2 The Board of Director must supervise the company for governance at least as follows:

(1) Competitiveness and performance with a long-term perspective

(2) Conduct business with ethical, respect the rights and have responsibility to shareholders.

Also, management of customer service fairly

(3) good corporate citizenship and reduce negative impacts on the environment

(4) corporate resilience



Corporate Governance Policy

Furthermore, the board should determine or maintain the objectives, so that the objectives are the company as objectives and goals for sustainability, which are consistent with creating value for the whole company, all stakeholders, society and the environment as a whole.

1.3 The Board of Director is responsible for ensuring that all directors and executives perform their duties with the duty of care, duty of loyalty and ensure that the operations comply with laws, regulations and resolutions of the shareholders' meeting

1.4 The Board of Director understands the scope of duties and responsibilities of themselves in determining and reviewing the structure of the board, so that it is appropriate and necessary to lead the organization to the stated objectives and goals. The Chairman and the Chairman of the Executive Committee have different responsibilities. The Board of Directors clearly determines the authority and duties of the Chairman of the Board of Directors and the Chairman of the Executive Committee, as well as, monitors and supervises the Chairman of the Executive Committee and the Management to perform duties as assigned.

Principles of performance of the Board of Directors

In carrying out the duties, the Board of Directors must adhere to the following principles:

1. Understand and take action in supervision including understanding the acceptable risk (Risk Appetite) of the company
2. Perform duties according to "Accountability", "Integrity" (Duty of Loyalty) and "Duty of Care" according to Thai laws and regulatory standards
3. Avoid having an interest and cause that has vested such interest. Determine and enforce various measures to control and avoid conflicts that may arise from the company's personnel that is coordinating with external parties or other organizations
4. Dedicate enough time and energy to perform duties according to responsibility
5. Avoid participating in the daily management of the company except the executive directors.
6. Receive management information for the Board of Director to perform their duties to achieve the goal. It is the duty of the Board of Director to decide what type of information is needed.
7. Do not participate in decision making on matters that directors or related or connected persons with directors of the company have interests, which could cause the directors of the company to not be able to fully perform their duties and not complying with laws or relevant official regulations
8. Oversee the senior management of the company by virtue of the authority and duty to





Corporate Governance Policy

inquire and request clear explanations from the management. Also, ensure to receive sufficient information and have time to consider the performance of executives

9. Maintain the confidential business information of the company and customer information to prevent leakage to other people. Moreover, not using confidential information of the company and customers to seek benefits both intentionally and unintentionally unless obtaining consent from the company or according to the law

Authority of the Board

The Board of Directors plays an important role in policy formulation, taking care of the company, have a working process and have adequate resources to ensure that the operations are in accordance with the policy, and supervise to have a system to monitor, control and review the implementation of that policy. The Board of Director should focus and support the creation of innovations that create value for the business while creating benefits for customers or those involved, and have social and environmental responsibility. The Board of Director approves the vision, mission and business strategy of the company, and monitor the management to apply the vision, mission, and strategy of the company to practice. Furthermore, the Board of Director reviews the vision, mission and business strategy on a yearly basis in line with the changing economic conditions and competition of the board as follows;

Policy

The Board of Director is responsible for approving policies, reviewing and provide opinion of important matters relating to the company's operations, such as vision, mission, business ethics, and code of conduct, goals and strategic plans for business operations, annual budget, approve of financial statements, and supervise the management to implement the policy

Supervise the business to comply with official rules

The Board of Director is responsible for overseeing the operations of the company to ensure it complies with laws, rules, regulations and practices related official and that the company operates correctly and transparently without corruption under the principles of good corporate governance

Internal control

The Board of Directors is responsible for supervising the company, have good internal control, have an effective management system that is sufficient for acceptable risk levels, appropriate for the job or work process of that particular agency. The Board of Director would assign the Audit Committee to regularly monitor internal control, periodically assess the efficiency and adequacy of internal controls to improve



Corporate Governance Policy

the internal control to be concise and suitable for changing situations, as well as, regularly report to the Board of Director.

Risk management

The Board of Director is responsible for supervising the company to have a risk management policy, risk management process, effective risk reporting, tools for managing various risks that are adequately and covering all risks, supervise the management to control the risk of the company to be at an appropriate and acceptable level, and regularly review the risk management process, and guidelines for anti-corruption. Therefore, the directors, executives and employees of the company would adhere to the guidelines. The Board of Director should also assign all personnel to be responsible for internal control and maintaining an effective internal control system. The Company assigns the Risk Management Committee to supervise the risk management process to operate effectively, and regularly report to the Board of Directors (As disclosed in the topic "Risk Management and Risk Factors")

Conflict of interest

Board of Director is a tool for managing to ensure that the business management is efficient and transparent for the best interest of the group of companies. Therefore the company has established policies and guidelines for considering items that have or may have conflicts of interest in the good corporate governance manual and business ethics of the company for the directors, executives and employees to observe. There are also rules for directors and executives stated that employees from the executive committee level and above, and financial related positions according to the requirements of the SEC, should report their own and related persons' interests to the company. Those employees have to reports every year when there is a transaction that may have a conflict of interest. The stakeholders in that matter must report to the company immediately. The company is careful and takes into account the compliance with the rules for connected transactions or related transactions without having to make connected transactions that violates the rules of the SEC and the SET.

The company has set up measurement to prevent conflicts of interest as follows;

1. Directors, executives, employees and related persons should avoid financial involvement and / or relationships with other third parties which will result in the loss or cause conflicts of interest of the company.
2. Directors, executives and employees with vested interests which may have conflicts of interest in the process of hiring, selecting, deciding or approving any items must report to the supervisor or those





Corporate Governance Policy

who participate in the approval. This could be done by using the report of conflict of interest of the company or avoid participating in that process

Entering into the connected transaction or the acquisition and disposal of the Company's assets

In the event that the company and joint venture company (The company holds shares, whether directly or indirectly, more than 50 percent of the paid-up capital), there are transactions that are connected transactions or acquisition or disposal of important assets of the company. According to the regulations of the Stock Exchange of Thailand, the company must comply with the regulations of the Stock Exchange of Thailand in such matters and must request the approval of the shareholders to enter into a connected transaction or acquisition or disposal of important assets of the company. It is required to have a vote of not less than three-fourths of the total votes of shareholders or proxies of the shareholders attending the meeting and having the right to vote without counting the portion of shareholders who have an interest

Performing duties as a director with good governance

Directors must perform their duties with integrity. They should not seeking for personal benefits, do not participate in or involve in decisions in transactions or businesses in which he has direct or indirect interests, should follow up on the duties of the management to be in accordance with the policies and strategies specified, supervise the company to have written business ethics or employee ethics, ensuring that the company has segregation of Duties and appropriate checks and balances

Report of interest of directors

Every director has a duty to report interest of both, their own interests and related persons as required by law. They should prepare a report of interest according to the report form the company, as well as ensuring the accuracy of the information in the report, and deliver the company within the specified period so that the company will collect and present to the Chairman of the company and Chairman of the Audit Committee signed to acknowledge the said report every quarter. In addition, the company must prepare a report on the holding of the company's shares of the executives and related persons for the Board to acknowledge and recorded in the minutes of the board meeting

Supervision of the Company's operations Joint venture Company and associated companies

Board of Directors has approved the guidelines for the supervision of companies that the company holds shares to have guidelines for the operation / management that are consistent and in accordance with the guideline of the business operation of the organization to supervise the operations of the joint venture companies and more efficient associates. The Board of Directors has determined that the Chairman of the





Corporate Governance Policy

Executive Committee is the person who has the authority to set policies, rules, regulations and procedures for determining any employee or person to serve as a director in a company in a joint venture company, which has been defined in the company's personnel management regulations. The person appointed as a director in a joint venture company has the duty to perform for the best benefit of the company that he holds the position of director.

In addition, the Board of Director has supervised the important policies of the joint venture companies such as management policies, Good Corporate Governance Policy, operational policy, Financial accounting policy, Safety, Health and Environment Management Policy, Social Responsibility Policy, Personnel management policy and other important policies, so that it is in accordance with the rules and regulations of the office SEC, SET and other related laws.

With the Board of Directors, there is a mechanism to supervise investment in companies in the joint venture by assigning executives from the company to manage the position of Managing Director in a joint venture company. For sending agents of the company to be a director in an associate company, the company has nominated executives as representatives of the company to be a guideline to executives and representatives of the company who went to perform duties in a joint venture company. There will be managed and supervised systematically in the same manner as the company to ensure that the operation is efficient, transparent and fair, achieving the operational goals as planned.

Moreover, in the case of a joint venture company, the person appointed by the company must ensure that the joint venture company has regulations regarding the connected transaction that is consistent with the company data storage and accounting that can be checked and gathered to prepare the consolidated financial statements on time.

Compliance with good corporate governance principles in other matters

In summary for the year 2018, the company has fully complied with the principles of good corporate governance. The company has added practices on the qualifications of directors that require no restrictions on sex, nationality, religion, and the determination of policy on diversity of knowledge and competency of directors, determine the period of strategy review "Annually", being an independent director of the Chairman of the company, arrangement for evaluation of all sub-committees to evaluate the annual performance, preparing financial policy, accounting, tax and budget of the company. Thus, the company could use the same standard. Also, there is an addition in the scope of duties of the Corporate Governance Committee on social responsibility in order to comply with the current duties, have an assessment of risks that may occur in every dimension, and have the assessment of corruption risks that may occur to the company





Corporate Governance Policy

and establish an internal control framework for the organization with the objective to cover corruption risk assessment at the process level and have a regular evaluation process for the internal control system of the company.

The company ensure that they have an internal control system that is sufficient and suitable for business operations by paying attention to the prevention of corruption and money laundering, good practices regarding the period of refrain from trading company securities of directors and executives using information within 30 days prior to the disclosure of financial statements.

Sub-committee

In order to efficiently and effectively perform the duties of the Board of Director, the Board of Director will appoint sub-committees to alleviate the burden of the Board of Directors in monitoring, supervising or considering important matters. The sub-committee has the authority to approve and make decisions on behalf of the board, regarding the authority, duties and responsibilities assigned by the Board of Directors.

The Board of Director will determine the appropriate scope of duties and responsibilities of the sub-committees that is in accordance with the strategy and assigned missions. There is a clear separation of duties, no redundant and in accordance with the requirements. The company also regularly arrange meetings with reports for the acknowledgment of the Board of Directors.

Sub-committees are consist of the following;

Audit Committee

The committee is responsible for ensuring that the company has an effective internal control system, accurate and adequate financial reports, reviewed the Company's compliance with the Securities and Exchange Act Stock market requirements, laws and other regulations related to the business of the company. They also responsible for the consideration, selection and nomination of people who are independent to act as auditors of the company, offering compensation for such person, supervision of internal audit work of the company including performing other tasks assigned by the Board of Directors.

Board of Executive Director

The Board of Executive Director is responsible for reviewing and presenting the annual budget, business plan of the company, capital plan, monitoring performance and operating results according to the company's business line, supervising the performance of companies in the group, reviewing and proposing or approving large investments related to plans and strategies according to the authority assigned, reviewing



Corporate Governance Policy

and presenting a new business plan which is a strategy for the company's business investment planning in other companies, monitoring the progress of foreign investment including performing other tasks assigned by the Board of Director.

Nomination and Remuneration Committee

Nomination and Remuneration Committee's duties are to select the person who deserves to be nominated as a new director, specific director, or recruiting the Chief Executive Officer and managing director by determining the method of nomination with transparent criteria and considering the guidelines for determining remuneration for directors and the Chief Executive Officer. This could be done by considering professional experience, diversity of skills, and specific qualifications necessary for the business of the company. This is to achieve balance in various fields, and is the most useful to propose to the Board of Directors and / or propose to the shareholders' meeting for approval.

Risk Management Committee

To set and review policies, objectives and risk management frameworks in order to suitable and consistent with the overall business operation. They also responsible for supervise to have a risk management plan, risk management systems or processes to reduce the impact on the business of the company and to provide comments and suggestions on corporate risk management and investment risks, annually review the appropriateness of the charter including monitoring and evaluating the implementation of the risk management framework and to ensure that the company has adequate and appropriate risk management.

Corporate Government Committee

Corporate Government Committee is responsible for recognizing the roles and responsibilities of the Board of Director as an organizational leader that creates value for a sustainable business, determine the objectives and main goals of the business that are going for sustainability, strengthen the effective board, recruitment and development of senior management and personnel management, promote innovation and responsible business practices, supervise to have a risk management system and appropriate internal control, maintain financial credibility and disclosure, support participation and communication with shareholders, as well as, being responsible for determining guidelines, guidelines for policy, guidance on business ethics and ethics in accordance with the good corporate governance system to the Board of Directors. This is to set the organization's rules and regulations in order to be a guideline of the organization that is standardized and correct approach.





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Anti-Corruption Working group

The group has a duty to formulate anti-corruption policies, provide advice and recommendations on anti-corruption, training to provide knowledge about anti-corruption, investigate the facts in case of complaints or clues by complying with the policy of investigating facts and reporting performance related to this policy to the Audit Committee.

(Note that details of each committee are shown in the management structure)

Chief Executive Officer

The Board of Director appoints the Chairman of the Executive Committee in accordance with the company's regulations. The Chairman of the Executive Committee plays a role in implementing the strategy and running the company smoothly under the policy set by the Board. The Chairman of the Executive Committee is the person with the highest responsibility for the operation of the entire company.

Role of the Chairman Chief Executive Officer and Managing Director

Chairman of the Board and the Chairman of the Executive Committee should be an independent director. Their responsibility is to support the operations of the management but do not participate in the normal daily management of the company. Their primary role is to overseeing the performance of the Board of Director to be effective and independent from the management, set the meeting agenda according to the duties and responsibilities of the Board of Director together with the Chairman of the Executive Committee and the Managing Director. The Chairman of the company is also the Chairman of the Board of Directors' meeting and the shareholders' meeting effectively. Their role is also to encourage all directors to participate in the meeting, and supervising the directors to abide by the principles of good corporate governance and business ethics of the company, as well as, being responsible to shareholders and related stakeholders. In addition, the Chairman of the Board should not hold any positions in the sub-committee set out in the scope of duties of the Board of Directors and all sub-committees in order to perform the segregate duties and tasks In terms of independence of the Chairman of the Board. This is to perform their duties as chairman with prudence and use independent discretion with high leadership and leadership roles, taking into account the best interests of the company and have knowledge, expertise and experience in the automotive parts manufacturing business or other businesses related to the expansion of the company's investment and management for a long time. They are a qualified person that many organizations would like to bring your diverse knowledge and abilities to the benefit of the organization.



Corporate Governance Policy

Chief Executive Officer and Managing Director

Chief Executive Officer and Managing Director are the highest commander of employees in the organization which the Board of Director select and appoint from one director according to the company's regulations. They has the responsibility to manage the company according to the policy, plan, and budget and under the authority framework received from the board of directors and defined in the company regulations.



Principle 2: Determine the objectives and main goals of the company to create sustainability.

Stakeholders should be supervised according to legal rights. The Board of Directors should consider to have a process to promote cooperation between the companies with stakeholders in creating financial stability and sustainability of the company

2.1 The Board of Director oversees the company's objectives or the main goal that is clear, appropriate and communicates to employees in the company, drive in the same direction and enhancing the objectives and main goals reflected in the work of employees at all levels until becoming a corporate culture.

2.2 The Board oversees the preparation of strategies and annual plans that are consistent with the objectives or the main goal by using innovations and technologies to be used appropriately and safely in order to create competitiveness and to meet the needs of stakeholders and based on social and environmental responsibility and provide reviews every year.

To determine the objectives and goals of business operations in the short, medium and long term, as well as determining the indicators of success in various matters in the business plan of the year 2017, which determines the operational goals each year, the goal of every employee in the organization with communication in the form of meetings, announcements, goals for work. The company determines to be a part of the evaluation of employees at all levels in the year 2018 and every year according to the plan specified in the business plan.

The company aims to develop the organization and take into account the impact of ESG by establishing guidelines for sustainable development and participation with stakeholders as follows;

1. Track and analyze the growth direction and changes of related industries including considering factors that affect the business, society and environment of the company and those involved in business such as





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innovation, technological change, global climate change including tracking practices and international standing standards such as Global Reporting Initiative (GRI), Sustainable Development Goals (SDGs).

2. Establish a framework for sustainable development the framework for sustainable development is the direction of sustainability of the company according to the main strategy consisting of 4 main dimensions: 1.Work place, 2.Market Place, 3.Community and 4.Environment which covers economic, social, community and environmental aspects.



Principle 3: Strengthen the Board of Directors

3.1 The committee should be responsible for determining and reviewing the board structure in terms of size, composition, proportion of independent directors which is appropriate and necessary for bringing the organization to the specified objectives and goals

The Board of Director will determine the structure of the Board to be diversified (Board Diversity) suitable for size, complexity, business characteristics and risks, consisting of leadership, professional skills, knowledge, ability, experience in business and related businesses, special skills (skill matrix) and gender, as well as, in accordance with the business strategy of management and have knowledgeable directors or at least 1 person with information technology experience. The Board of Director must have the appropriate amount in accordance with the resolution of the shareholders' meeting with clear scope of responsibilities, appropriate balance of power and does not allow any person or group to have power without restrictions.

The composition of the board consists of non-executive directors, executive director and independent directors, at least in the amount prescribed by the Securities and Exchange Commission.

Board composition in 2018

Board of Directors consisting of 10 directors who have experienced, professional skills and specialized expertise from a variety of professional fields. Those people are;

4 independent directors (more than 1 in 3 of the entire board) *

4 non-executive directors

2 executive directors

The Board of Director Meeting

The Board of Directors has a meeting scheduled once a quarter, except in the case of necessity. The company may arrange additional extraordinary meeting as necessary. The company has to deliver the





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entire meeting schedule in advance for each director to acknowledge so that the directors can allocate time to attend the meeting at all times. The Chairman of the Executive Committee will consider and approve various matters to be included in the meeting agenda for the chairman of the board to approve

The company sends the meeting invitation letter together with supporting documents to the directors at least 5 working days prior to the meeting so that the directors have enough time to study, consider and decide on various matters. Before The directors can request additional documents or additional information regarding various matters. Entering the meeting agenda from the management the meeting takes approximately 3 hours. The chairman of the board is the lead speaker. The meeting proceeded according to the agenda. Sufficient time is allocated for the management to propose the matter and enough that the director will consider such a round before deciding by voting on various agenda of the Board of Directors meeting. In this regard, the Chairman of the Board will conclude the meeting's resolution. In addition, directors who have an interest in the agenda that is considered to be absent from the meeting for that agenda and will not vote.

The company secretary is responsible for the preparation of the minutes, order the document storage for inspection including the delivery of meeting minutes to the public institution within the specified period.

In 2018, the Board of Directors Meeting was conducted 7 times: the Annual General Meeting of Shareholders 1 time, Extraordinary Shareholders' Meeting 1 time representing an average of 100 percent of the number of meetings, whereby the directors have to ask questions independently and give suggestions that are beneficial to the company in line with the corporate governance policy.

3.2 The board of directors should select the appropriate person to be the chairman and supervise Ensuring that the composition and operation of the Board is conducive to independent discretion in making decisions.

The Board plays an important role in corporate governance for the best interest of the Company. Also, the Board has a responsibility to all stakeholders and must be independent from the management

Separation of positions and balance of non-executive directors

1. The Chairman of the Board and the Chairman of the Executive Committee must not be the same person and have different responsibilities
2. The Chairman of the Board will not hold any positions in the sub-committee





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3. Directors (except executive directors) will not be employees of the company and do not participate in the daily management of the company and clearly separating duties and responsibilities between the Board and the management

Role of the Chairman

The chairman of the board has a role as a director and leader of the board. The duties and responsibilities should at least cover:

1. Supervise, monitor and supervise the performance of the Board of Directors to be effective and achieve the objectives and goals of the company
2. Ensuring that all directors participate in promoting an ethical corporate culture and good corporate governance
3. Strengthen good relations between directors who are executives and non-executive directors and between the board and management

the chairman of the board will act as the chairman of the board meeting and the chairman of the shareholders' meeting of the company

Role of the Chief Executive Officer

The Chairman of the Executive Committee plays a role in operating the company in accordance with the strategy, plan and supervising the operation of the company to be smooth under the policy set by the Board of Directors. The Chief Executive Officer is the person with the highest responsibility for the operation of the entire company.

Term of office of independent directors

The Board of Directors has a policy for independent directors to hold office for a period of not more than 9 years from the date of being appointed to be the first independent director. If the independent director holds the position of an independent director for 9 years and wishes to return to be an independent director again must be removed from being a director in the company for a period of not less than 2 years by using the transitional provisions of the authorities or darker than the transitional provisions.

3.3 The Board of Directors should supervise the recruitment and selection of directors to have a transparent and clear process in order to obtain a committee that is qualified in accordance with the specified elements.



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Nomination of Directors

The Board will ensure that the company has a transparent nomination process by appointing people with leadership, vision, professional skills, knowledge, ability, experience in business and related businesses Special skill (Matrix) and not limited to gender. The board will ensure it is in accordance with the business strategy of the company, as well as, having the highest responsibility for the company's performance is determined to lead the organization to grow steadily and grow with accuracy, free to express opinions and decision making for the best benefit of the company. For those who will become independent directors must have the qualifications of being an independent director as determined by the company, which is stricter than the requirements of the Securities and Exchange Commission (Qualifications of independent directors of the company can be found in the Management Structure section).

Nomination Committee will consider nominating directors from individuals in various professional following to the company's regulations and official requirements. The directors must be a person who is capable and has a strategic idea that can lead the company to a stable and sustainable growth and can fully devote time to perform duties as a director for the maximum benefit of the company before proposing to the Board of Directors or shareholders for appointment (depend on the case).

In the selection and nomination of persons to be directors will provide information that identifies the expertise in each skill matrix required for the director and disclose the policy and details of the nomination process in the annual report of the company.

Term of office of the director

In every annual general meeting of shareholders, one-third of the total number of directors is removed from the position. If the number of directors cannot be divided into exactly three parts then give out by the number nearest to the third part in which the director who has retired by rotation may be re-elected.

3.4 The Board of Directors should consider the structure and compensation rates that are appropriate to the responsibility. And propose to shareholders for approval

Directors' remuneration

1. The Board of Directors will determine the criteria, composition, and fair remuneration for directors at an appropriate level by using the principles of the duties of the Board of Directors (Fiduciary Duty) and in a manner that is comparable to the level that is in the industry, experience, obligations, scope of roles and responsibilities (Accountability and Responsibility) including the benefits expected from each director who have been assigned additional duties and responsibilities, such





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as being a member of the sub-committee should receive additional remuneration at an appropriate rate.

2. Nomination Committee will review the directors' remuneration every year. Then, propose to the Board of Directors for consideration and approval as an agenda for the Annual General Meeting of Shareholders for approval at the annual general meeting of shareholders.
3. The Board of Directors will ensure that the company discloses the remuneration for each director individually in various reports according to official requirements such as annual reports.

Director's bonus

The Board of Directors plays an important role in formulating strategies, policies and supervising the operations of the company to meet the goals. The Board of Directors may consider granting remuneration to the Board at an appropriate rate, consistent with the company's performance and the level of practice in the industry. The Nomination Committee will consider the reward and propose to the Board of Directors for consideration and approval and include in the agenda of the Annual General Meeting of Shareholders for approval of the shareholders' meeting, disclose the directors' remuneration on an individual basis in various reports according to official requirements such as annual reports.

3.5 The Board of Directors should supervise all directors to be responsible for their duties and allocate sufficient time.

The Conference Board

1. The Board of Directors will arrange a meeting at least 1 time per quarter. The meeting date must be set in each year in advance so that the directors can allocate time to attend the meeting at all times unless in urgent need may arrange additional special meeting as necessary including the date of the meeting of the sub-committee in advance
2. The Board will ensure that the company send the meeting invitation letter together with supporting documents to the directors at least 5 working days before the meeting to allow directors to have enough time to study information in order to prepare to attend the meeting. The company secretary must ensure that all directors receive all relevant documents and have sufficient time to study, consider and make decisions on various matters in advance.
3. Directors can request additional information about various matters and entered the meeting agenda from the management



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4. The secretary of the Board of Directors is responsible for preparing the meeting minutes in writing and organized in an orderly manner for inspection and submit the meeting report to the authorities within the specified period

5. Directors should attend every meeting or at least 75 percent of the number of meetings of the Board of Directors held each year at the time that the director holds the position unless there is reason and necessity

6. The Chairman of the Board and the Chairman of the Executive Committee will consider together in selecting the matter to be included in the meeting agenda, ensuring that important matters have been included and should allow each director the opportunity to freely propose matters that are beneficial to the company into the meeting agenda

7. The chairman of the board should allocate sufficient time for the management to present the matter and enough that the director will carefully discuss important issues together. The chairman of the board should encourage careful judgments. All directors should pay attention to every issue that leads to the meeting and the Chairman of the Board must summarize as a meeting resolution

8. Directors who have an interest in the agenda that is considered must not be present at the meeting and must not have the right to vote on that agenda.

9. Non-executive directors should meet among themselves as necessary to discuss various issues or problems regarding the management that is in the interest without the management team at least 1 time per quarter and bringing the results to the board for acknowledgment.

10. Where necessary, the Board of Directors can ask for professional opinions from external consultants regarding the operation at the expense. The company will consider disclosing the information of that consultant including independence in the annual report

Positions in other companies of directors

To ensure that directors can sufficiently devote time and be able to perform their duties and responsibilities in the company, the Board of Directors determines the number of companies that each director will serve in accordance with the requirements of the Stock Exchange of Thailand, the SEC Office as follows:

1. Director will hold no more than 5 directors in listed companies in both domestic and international markets (including companies)





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2. The company's directors can be the Chairman of the Board, executive director or authorized director in one or more companies in another company, no more than 3 business groups (excluding companies), If a company is not a business group to count each company into one business group

3. Directors must disclose information about holding positions in other companies for the company to know according to official requirements and company regulations

3.6 The Board of Directors should supervise to have a framework and mechanism for overseeing the policies and operations of companies in the business groups and other businesses that the company has invested significantly.

Strategy and coordination

Each company in the business group must determine the strategy to meet the business objectives and be consistent with the company's long-term strategy before presenting to the Board of Directors and presented to the Executive Committee and the Board of Directors of the Bank for approval by having the corporate strategy unit of the company and the representative director work together

Policy implementation

The management of the company in the business group must adhere to and comply with the Consolidate Supervision Policy of the company, with the company's audit staff being the company inspectors in the business group on an annual basis.

3.7 The Board of Directors should arrange the annual performance evaluation of the Board of Directors. Sub-committee and individual activities

Performance evaluation of the Board of Directors

1. The Board of Directors and Sub-Committees will conduct self-assessment at least once a year to allow the Board to consider the work and problems for the development and improvement of duties by having to define the norms that will be used to compare with the performance results with criteria

2. The method of evaluating the performance of the Board of Directors is (1) Self-assessment (Self-assessment) for both faculty and individual (2) Cross-assessment (Cross-assessment) and including disclosure of rules the steps and results of the overall assessment in the annual report



3. The Board of Directors may consider having an external advisor to assist in formulating guidelines and suggesting issues for evaluating the performance of the Board of Directors and disclose the said operation in the annual report

Performance evaluation of the Board of Directors

Self-Assessment of the Board

Board of Directors requires the regularly evaluation of the performance of the Board of Directors individually and in the whole group at least once a year to know about various problems and obstacles during the past year. In addition, it is to make the work of the Board more effective as there are clearly know their responsibilities and to help improve the relationship between the Board of Directors and the management including guidelines for improvement to comply with good corporate governance principles by using the form that the company improve from the self-evaluation form of the Board of Stock Exchange of Thailand as appropriate and in accordance with the characteristics of the Board of Directors.

The evaluation criteria are detailed as follows: Operating results, policies, guidelines for corrective action if not as specified, preparation before entering the meeting, practice on corporate governance of the company, duties of Chairman of the board And monitoring of risk management, etc. Then, use the scores that the committee evaluated themselves, use the statistical analyze data and report the assessment results to the Board of Directors to lead the management's operations further. In addition, in the year 2018, the company evaluated all sub-committees, namely the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and the supervisory board with evaluation criteria as follows

1. The structure and qualifications of the sub-committees are appropriate and work effectively
2. Sub-committees perform their duties efficiently in meetings
3. Roles, duties and responsibilities of sub-committees

Performance evaluation of the Managing Director

Board of Directors requiring the evaluation of the performance of the Managing Director every year by using the form that the company updates from the example Self-evaluation form of the Managing Director of the Stock Exchange of Thailand as appropriate and in accordance with the organization's goals and strategic plans by assessment criteria divided into the following topics:

- | | |
|---|---------------------------------------|
| 1. Leadership | 2. Strategy formulation |
| 3. Compliance with the strategy | 4. Planning and financial performance |
| 5. Relationship with the Board of Directors | 6. External relations |





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- | | |
|--|-----------------------------|
| 7. Administration and relationship with personnel. | 8. Succession. |
| 9. Knowledge of products and services | 10 Personal characteristics |

Collect the score that the committee evaluated to analyze the statistical data for improvement and development of various weaknesses and for determining remuneration and appropriate incentives

Board of Directors

In 2018, Board of Director review the performance evaluation form of the Board of Directors to evaluate the directors annually, for the Board of Directors to review the performance, problems and obstacles during the past year. This can be done by evaluating the entire Board of Directors, self-assessment by dividing the criteria to 5 levels and summarizing the overall assessment results to the Board of Directors and disclosed in the annual report In order for the evaluation to have appropriate criteria. The company has improved the questions and assessment criteria in accordance with the guidelines of the Board of Directors assessment. The assessment to the Board of Directors, which the Board of Directors has acknowledged the result of such assessment and bring suggestions from the evaluation to formulate guidelines to improve the performance of the Board of Directors with concrete efficiency.

1. Evaluation of the performance of the Board of Directors (whole board)

The questions are composed of 6 main categories:

- | | |
|---|--|
| 1. Structure and qualifications of the Board of Directors | 2. Role, duty and responsibility of the Board of Directors |
| 3. Meeting of the Board of Directors | 4. The duties of directors |
| 5. Relationship with the management | 6. Self-development of directors and executive development |

The evaluation committee is the director who holds the position during the evaluation period as of December 2018, a total of 10 persons.

Summary of the assessment of the Board of Directors (the whole group) has an average **score level 88.63%**

2. Performance evaluation of individual directors (self)

The question consists of 3 main categories:

1. Compliance with ethics and business ethics
2. Responsibility for performing duties
3. Self-development and teamwork



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Summary of individual director assessment (self) with average **score level 97.95 %**

Sub-committee

Sub-committees, which are the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Anti-Corruption Working Group and the Corporate Governance Committee, has conducted a performance evaluation on a specific topic for both the faculty and individuals. In 2018, there is an improvement of assessment topics

Questions and criteria for assessment to cover the performance according to good practices

1. **Audit Committee** consisting of the topic of the Audit Committee Charter Elements of the Audit Committee, meetings, training and resources, responsibilities of the Audit Committee Relationship with the Department Manager, Internal auditors, auditors and management report to the Board of Directors, shareholders and maintaining operational quality by summarizing the evaluation of the performance of the Audit Committee as follows;

Evaluate the whole group: the average **score 95.24 %**

Individual assessment: the average **score 98.30%**

2. **Nomination and Remuneration Committee** Consists of topics to evaluate the subject Elements and features Scope / Performance of the meeting, performance evaluation report by summarizing the evaluation results of the Nomination and Remuneration Committee as follows

Evaluate the whole group: the average **score 98.33 %**

Individual assessment: the average **score 97.73 %**

3. **Corporate Governance Committee** Consists of topics to evaluate the subject Elements and features Scope / Performance of the meeting, performance evaluation report by summarizing the evaluation results of the Corporate Governance Committee as follows

Evaluate the whole group: the average **score 96.00%**

Individual assessment: the average **score 99.55 %**

4. **Risk Management Committee** Consists of topics to evaluate the subject Elements and features Scope / Performance of the meeting, performance evaluation report by summarizing the assessment of the performance of the Risk Management Committee as follows





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Individual assessment: the average **score 92.50 %**

Evaluate the whole group: the average **score 96.02 %**

5. Anti-Corruption Working Group Consists of topics to evaluate the subject Elements and features Scope / Performance of the meeting, performance evaluation report by summarizing the assessment of the performance of the Risk Management Committee as follows

Evaluate the whole group: the average **score 93.33 %**

Individual assessment: the average **score 97.16%**

3.8 The Board of Directors should supervise the Board and each director to have knowledge, understand of roles, nature of business and laws related to business operations, as well as encouraging all directors to receive various skills and knowledge relating to the performance of directors regularly

Director Development

1. The Board of Directors will promote and support the education of directors in acting as directors of the company by training courses of the Thai Institute of Directors Association (IOD) related to at least 1 director, namely the Director Accreditation Program (DAP) or the Director Certification Program (DCP), including any other courses related to supervision, good business acting as a director under the law and the requirements of relevant authorities or the business of the company to increase the skills of supervision. The company is responsible for all of the expenses.

2. The Board of Directors will supervise the management to arrange internal training courses for the company to the directors in order to increase knowledge in relation to the business of the company and responsibility as a director of the company

3. The Board of Directors should set up an orientation for every new director to create knowledge and understanding in the business including the various operations of the company in order to prepare them for their duties as the directors. The directors should have a policy to enhance knowledge and new perspectives for all directors to learn corporate governance, industry conditions, technology business and new innovations so that directors can take the position as quickly as possible with efficiently. The company secretary would act as the coordinator in various matters as follows

1. Matters to note: business structure, board structure, scope of authority, Laws that need to be known



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2. General knowledge of the business: guidelines for operating various policies and visiting the production process
3. Provide a meeting Discussions with all Board members to inquire in-depth information about business operations. For the year 2018, the company has no new directors.
4. The Board of Directors will ensure that the company discloses training and director development information in various reports, according to the principles of good corporate governance, such as annual reports

Training of Directors

The company has directors who are knowledgeable, capable and always seeking knowledge in directors and business functions, and the company encourages all directors to study and train more to continuously increase knowledge about directors' duties, including

1. The Board of Directors have participated in national activities that help promote and enhance the level of good corporate governance and exchanging opinions with those with regional experience, such as establishing a Plant visit of the companies' work site that have participated in overseas joint ventures to allow the Board of Directors understand the business of the company and bring knowledge and experience to benefit the company.

2. All directors have attended the training course with the Thai Institute of Directors Association (IOD). The company also encourage the directors to attend other training courses associated which gives a useful perspective to apply to the business of the company

In addition, the top executives of the company also participated in the discussion exchange activities various knowledge seminar activities that is related to the operation, as well as, being a guest speaker in various seminars to exchange knowledge, experiences and opinions with various institutions.

3.9 The Board of Directors should ensure that the operation of the Board is completed. Can access the necessary information and has a company secretary who has the necessary knowledge and experience

Company Secretary

The Board of Directors will appoint persons with appropriate qualifications and experience to perform duties as the Company Secretary. The Board of Directors will determine the roles, duties and responsibilities of the Company Secretary to be in accordance with the legal requirements and best practices, which the Company Secretary will monitor various operations. Of the Board of Directors, the management, and the





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Company in accordance with the requirements of laws, rules, regulations, relevant authorities Company regulations as well as supporting the operation of Board of Directors, Sub-committee, management and the company to be in accordance with the good corporate governance guidelines and disclose the information, qualifications and experience of the company secretary in the annual report and on the company's website.



Principle 4: Recruitment and development of senior management and personnel management

4.1 There is a recruitment and development of high-level executives to have knowledge, skills, experience and features necessary to drive the organization.

Recruitment of executives

Recruiting and appointing the highest level of directors and executives

Nomination and appointment of directors and independent directors, the Board of Directors has appointed the Nomination and Remuneration Committee to act as a recruiting person with knowledge, ability, expertise and experiences that are useful and consistent with the company's business strategy. If the position of the director of the company vacant or directors due to retire, by rotation, the committee will prescribe criteria for considering the person who deserves to be nominated for appointment as a director, both from minority shareholders and major shareholder, by considered with the criteria for nomination of directors of the Stock Exchange of Thailand. The company gives priority to those with skills, experience, professional qualifications, specific qualifications in accordance with the business strategy of the company and to make the board composition with integrity and utmost benefit of the company, including consideration of the conflict of interest and conflict of interest of the directors in a transparent and comprehensive manner.

Director

1. Appointment of new directors considering the composition, including qualification in accordance with relevant laws and regulations being a qualified person with diverse knowledge and experience in various professional fields, which is useful for the performance of the directors and the necessity of the composition of the board structure that is consistent with the business strategy by considering skills matrix in engineering, law, finance, accounting, economics, security and society Management. They will combine knowledge and capabilities that are beneficial to the operations of the company and having interests or conflicts of interest that may have with the company





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2. Appointment of the same director considering the performance in the past year, giving feedback, comments that is useful to devote time and participation in various activities of each director to consider.

Independent Director

In the selection and nomination of independent directors will consider the number of independent directors on the composition of the Board of Directors to be consistent and in accordance with the requirements of the SEC. As of December 31, 2018, there are 4 independent directors from the total number of 10 directors. There are 40 percent of the Board of Directors, which is greater than the requirements of the SEC and according to the information disclosed in the management structure section by independent directors. There are definitions and qualifications as defined in the Good Corporate Governance Handbook and disclosed on the Company's website.

Recruitment and appointment of the Chief Executive Officer

Recruitment of the Chief Executive Officer and Managing Director in replacement of the vacancy Nomination Committee will consider from those with skills, experience, professional qualifications in various fields that is necessary and the most beneficial to the business of the company which must be approved by the Board of Directors Such criteria include

- Being a director of the company according to the company's regulations
- Knowledge, ability to conduct business
- Experience in the automotive parts manufacturing business Or other businesses related to the expansion of the investment of the company
- Experience in leadership of the organization
- High leadership
- Acceptance from related business organizations

(More details on the topic "Director and Executive Development" and "Talent Group Management and Succession Plan")

Succession Plan

The Board of Directors will establish a succession plan for the management since the implementation of such plans is an important component of personnel strategy planning. The Board of Directors must ensure that the company has policies, plans and processes that is linked to the vision, mission, and business goals including corporate culture to ensure that the succession of executive positions is smooth including the preparation of replacement personnel for the continuing company's business operations.





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Positions in other companies of the Executive Chairman

The Chairman of the Executive Committee will perform full time for the company. Of the Chairman of the Executive Board, other companies or organizations must be approved by the Board of Directors

4.2 The Board of Directors should monitor, supervise and develop personnel to have the appropriate amount of knowledge, skills, experience and motivation.

Development of senior management

The company has continuously developed the potential of employees with regular training at all levels, which are divided into both business, own profession, leadership and collaboration, learning from direct experience and from others. There are in-house training through classroom training, E-learning and sending employees to train outside the company.

4.3 The Board of Directors should supervise the structure of compensation and appropriate evaluation

The Company considers the payment of remuneration in the form of salary and remuneration based on performance to be comparable to the payment of the same industry and to be fair in the company. In addition, in order to increase the ability to cope with various situations by focusing on the organization "Flat Organization" which will have flexibility in doing business, adapt quickly because it reduces the work process and make decisions more quickly and to support this approach. The company has adjusted the compensation information to be appropriate with the scope of duties and responsibilities and provide tools to work according to the roles and duties without adhering to the employee level and the overall compensation framework In order to drive the culture under the concept of "Pay for Performance", which will vary according to the performance of the employees and the operating results of the company.

(Year 2018 Directors' remuneration Executives and employees Already reported on the topic Remuneration for directors, executives, employees)



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Principle 5: Promote innovation and responsible business practices

The Board gives importance and supports the creation of innovations that create value for the company and to create business opportunities coupled with creating benefits for customers or those involved and have responsibility to society and the environment including allocating and managing resources efficiently.

The Board will monitor the management to conduct business with ethics and having responsibility to society and the environment and reflected in the action plan to ensure that the management manage resources efficiently and effectively, taking into account the impact and development of resources throughout the value chain, including information technology management and risk supervision under the objectives, goals, principles and strategic plans of the company in a sustainable manner.

1 Treatment of stakeholders

The Board of Directors emphasizes the importance of treating all stakeholders equally so that the stakeholders receive full, fair and appropriate rights. There is a system to receive complaints from customers and to resolve problems with care and justice. Keeping customer information confidential and strictly complying with the contract terms provided to the business partner. The company would conduct business with fair and ethical competition principles, honest, without corruption, treat all employees fairly and equally by focusing on the development of training to increase knowledge, ability, and potential and provide opportunities for employees to relocate their duties in order to increase work efficiency and have a fair compensation comparable to the same industry including enhancing the corporate governance culture in the organization.

The Board of Directors defines guidelines for treating stakeholders in each group as follows.

Shareholder:

The Board of Directors will supervise the business operations of the company to be transparent and free from corruption by taking into account the continued growth of sustainable performance in the long run on the potential and capability of the company to create additional value for the company both in the form of increased stock value and dividend payment at attractive rates.

Staff:

Aim to develop the organization to be a learning organization, strengthen culture and working atmosphere, promote teamwork, provide fair returns, supervise the safety and maintain the working environment, attach importance to development, transfer knowledge and the ability of employees, listening to comments and





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suggestions from employees at all levels equally and equitably, defining and extending the cultivation of corporate culture. The company recognizes that every employee is one important and valuable factor, bring success, progress and sustainable growth. The company adheres to the principles of good corporate governance and the United Nations that respects human rights, which the company has planned and set up a plan to manage human resources management in line with business operations, adjust the management structure of research and development and innovation units to support the business group of the company to be linked to business in foreign countries and enhancing the business context with greater size and diversity. Therefore, the company is emphasizing the recruitment of personnel in groups that are essential to driving the organization's strategy to be successful, prepare to recruit employees to prepare for the retirement of employees and to be in line with the business expansion to foreign countries. The company is recruiting and hiring both locally and internationally through Social media, as well as building a network in foreign countries to be known in the labor market.

The company encourages employees to be happy in their work and to have good quality of life, safety and good health, as well as, striving to improve and strengthen the capabilities of the organization and personnel management since personnel are considered valuable resources for building a strong and sustainable growth of the organization, details of operations and human resource management appear in the topic Employee Management and Development Policy.

Customer:

The company committed to create satisfaction and confidence for customers and the public to receive good quality products and services at a reasonable price level and continuously raise standards, as well as, maintaining good and sustainable relationships. The company adheres to the mission to take care and improve the quality of products and good service to be the best choice for customers with innovative products and services to create maximum confidence and satisfaction. The company has a fair, appropriate, transparent and auditable management to create satisfaction and confidence for customers and the public to receive good quality products and services at a reasonable price level and raise the standard to be higher. Moreover, the company maintains good and sustainable relationships, responsible for customer care in trading raw materials and products through various activities namely marketing excellence (Customer Excellence) that is centered in 5 areas:

1. Creating value for customers
2. New product development
3. Price strategy
4. Distribution channel strategy
5. Development of quality and efficiency of personnel



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For the customer satisfaction survey in 2018, the company has improved and organized satisfaction measurement to meet international standards and to compare with the same industry. The results of the Customer Satisfaction Survey in 2018 showed that the average satisfaction of 87.77% was able to reflect the success in building relationships and responding to customer needs at a good level. The company regularly hosts / visits customers' businesses to listen to opinions and exchange information in the industry with customers, to provide information for customers to use in business operations, as well as, arranging for customers to visit the factory and production process to give customers confidence in the production process and product quality control of the company. The company arrange to receive and manage complaints about products / services and operate systematically for customers to receive a quick response. There are many channels, including websites, emails and phones, and create guidelines for solving and preventing problems that may arise in the future with continuous monitoring and evaluation of customer complaints management to use the results for future business development and planning.

Partners:

Taking into account equality and integrity in business operations, maintain mutual benefits with partners by strictly complying with the laws and regulations and have a code of business conduct, the company has business ethics in procurement and treatment of business partners, criteria for selection and treatment of trade partners fairly including organizing the company regulations on the supply of goods to streamline product operations. The company also has good control and auditable. The company is able to conduct business with business partners in an appropriate manner with the benefit of both parties in a fair and transparent manner. In addition, the company also considers equality and integrity in conducting business, maintaining mutual benefits with partners by strictly complying with laws and regulations that are jointly defined such as improving the quality of products and services with product and service guarantee. There is a full disclosure of information about products and services, a system for receiving and managing complaints about products and services. The company has a satisfaction survey of partners, organize activities to educate and strengthen good relationships with partners and determine the code of conduct of the purchasing agency.

The company considers not accepting or paying any benefits that is not honest in trading with partners in the good corporate governance manual and business ethics and the policy of supervising the operation to be in compliance with the law (Corporate Compliance Policy), requiring employees to comply with the law on prevention and anti-corruption (Corruption), giving or receiving bribes (Bribery) with officials of government agencies or private agencies, both at home and abroad. The company considers any actions, which is a violation of such law that is incorrect and does not comply with the operational supervision policy. The personnel at all levels must resist and ignore that action and must perform duties with





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transparency for the benefit of the company or only companies in the group to prevent conflicts of interest and must not encourage others to act or ignore any action, which is against the law. The company has signed a contract of purchase in writing and strictly complying with the contract. In addition, there is a continuously meeting with partner to develop and improve joint operations as well as finding solutions to problems in the event that the conditions cannot be met with the partners by organizing a meeting to find the cause of the problem and find solutions together by the solution must be a way for all parties to be satisfied together and to solve problems until completed and finding ways to prevent such problems from happening again.

The company has procedures and procedures for selecting partners or contractor project arrangement or guidelines for anti-corruption including supporting activities that encourage and instill all employees to comply with the law and related regulations.

Creditor

The company adhere to fair practices in accordance with the conditions and responsible for creditors including repayment on schedule. The company treats creditors with responsibility, fairness, adheres to good practices according to the guidelines, conditions, terms of the contract and strict financial obligations, especially the conditions of guarantee capital management, debt settlement and fairness to creditors including repayment on schedule, as well as not using dishonest methods to conceal information or facts that may cause damage to creditors. In the event of failing to comply with any of the conditions, the company must notify the creditors in advance to jointly consider finding solutions. The company has focused on information disclosure to stakeholders with emphasis on accuracy, completeness, speed and transparency of information disclosed consisting of financial and non-financial information and the company has not sued for any default from all creditors.

Competitors

The Board will ensure that the company conducts business based on free competition, fairness, honesty, honesty without corruption, not destroying, causing damage, obstructing, preventing or limiting the business of competitors. The Board of Directors must ensure that the company performs under the rules of good competition, do not seek confidential information of competitors by dishonest or inappropriate means, such as giving bribes or bribery to competitor's employees, etc., and not destroying the reputation of competitors by malicious accusations.



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Investor

The Board will ensure that the company has disclosed accurate, complete and sufficient information for investors' decisions within a reasonable time.

Government

The Board will ensure that the company conducts the business by strictly complying with laws, rules, regulations and regulations of relevant authorities and provide good cooperation to government agencies.

Community, society and environment

The Board will ensure that the company conducts business together with corporate social responsibility (CSR) with support in various activities to promote and develop the quality of society and the environment sustainably including building good relationships with communities that the company operates. In addition, the Board of Directors will ensure that the company discloses the activities and promotes employee participation in corporate social and environmental responsibility in the annual report.

2. Compliance with international human rights principles

The Board recognizes the importance of equality of employees and will take care of the company to not commit any acts that violate human rights by unfairly discriminating against individuals due to differences in origin, race, language, age, education, institution, gender, disability, physical or health condition, person status and economic or social status.

3. Non-infringement of intellectual property

The Board will ensure that the company does not violate intellectual property, act or seek benefits from copyrighted work or intellectual property (copy rights and intellectual property rights) unless the company will be allowed by the copyright owner to legally do one under that right.





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Principle 6: Supervise to have an integrated control system and appropriate risk management

The Board gives importance and supports the creation of innovations that create value for the company and to create business opportunities coupled with creating benefits for customers or those involved and have responsibility to society and the environment including allocating and managing resources efficiently.

Fraud prevention Anti-corruption and giving and receiving bribes

The company operates its business by giving importance to good corporate governance under the ethical management framework. The company conducts business with transparency and can be checked with the control and inspection process to reduce and prevent the risk of fraud occurring within the organization including the corruption in all forms, whether direct or indirect, which apart from defining the good corporate governance policy of the company. The company has prepared anti-corruption policies, giving or receiving bribes as a written anti-corruption practices. The company has also become a party related to anti-corruption both at the national level as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) by conducting an expression of commitment to anti-corruption of the company and the preparation for examination (Recertification) that IOD requires to be evaluated every 3 years. The audit committee of the company is required to be assessed every year. In 2018, the company has taken important matters summarized as follows:

1. Arrange for a fraud risk assessment project to analyze and assess the risk of fraud opportunities and the effects that may occur from fraud in various processes within the organization by applying risk assessment tools developed from the Risk Assessment of Enterprise Risk Management (ERM) to be used in the implementation of such information to consider the measures Internal control And internal audit regarding corruption And corruption for the benefit of supervising, monitoring, controlling and reducing the potential for corruption within the organization
2. Review anti-corruption measures and risk assessment in the existing work process of the company by the internal department with relevant responsibilities In order to be complete and current In accordance with the changing circumstances and risks and report to the Audit Committee and the Board of Directors to be informed accordingly
3. Improve the complaint handling system (Whistleblower System) by adding channels to receive complaints and provide a work system that collects complaints more efficiently to comply with the criteria of the Thai Private Sector Collective Action Coalition against Corruption (CAC)



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4. Promote and communicate to create knowledge and understanding so that employees are aware of the importance of anti-corruption as well as guidelines for anti-corruption for executives and employees.

5. Communicate with customers / partners of the company In regard to anti-corruption and not calling / not accepting gifts or other benefits through the Supplier Conference for the year 2018 in order to allow business associates have been informed and have guidelines in line with the company's policy

Clues or complaints

The company has established a policy for all stakeholders to report clues or complain of improper actions, infringement Illegal or unethical behavior inaccurate financial reports or the defective internal control system of the company including a policy to protect whistleblowers the complainant can choose not to reveal himself. The recipient of the complaint will keep the information confidential and disclose as necessary, taking into account the safety and damage of the complainant and those who have suffered damage will receive relief through appropriate and fair procedures (Details about receiving clues Published on the company's website).

The Company has provided measures and channels to report clues or complaints of all stakeholders, which can report clues, complaints and comments to the company through the following channels

Letter: Company Secretary / Managing Director / Audit Committee

Fortune Parts Industry Public Company Limited

11/22 Moo 20 Nimitmai Road, LamLukka Subdistrict, LamLukka District, PathumThani 12150

Phone: 02-993-4970-77 ext. 108 (Company Secretary)

Fax: 02-993-0602

Website: www.fpiautoparts.com

Email: o.sarayuht@gmail.com

In the event that employees are able to report clues or complaints through supervisors that they trust the agency responsible for that matter directly or executives who supervise the regulatory agencies.

Contact channels to the Audit Committee / the Board of Directors

Stakeholders who wish to contact the Audit Committee / the Board of Directors Can complain through





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Channel 1 The Company's Audit Committee

Mr. Sutanai Prasertsan Tam.prasertsan@gmail.com

Mr. Anan Ketpittaya gatepithaya@gmail.com

Mr. Bhumipat Sincharoen pumipat@ap-thai.com

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

Mr. Sompol Thanadumrongsak paulfpi@hotmail.com

Mrs. Nusara Thanadumrongsak apple_fpi@hotmail.com

Mr. Sarayuht ouybuan o.sarayuht@gmail.com

Action when receiving complaints

The company has prepared and announced the implementation process according to the complaint receipt policy (The Whistleblower Policy Procedure) consists of the following main processes:

1. **Screening complaints** The assigned person reviews the important information and the steps according to the policy. If the information is reasonable with a clear evidence, the complaints will be considered and report to the stakeholders who is the complainants to know
2. **Fact Investigation** Prepare the report of the investigation with comments and suggestions to propose to the Chief Executive Officer and Managing Director to appropriately order the action.
3. **Consideration of the order** The Chairman of the Executive Committee and the Managing Director consider ordering the investigation committee to file complaints following the work regulations of the company to be fair to all parties
4. **Reporting** As the complaint has been terminated, it will be reported to the stakeholders who are the complainants in the event that the complainant person has informed the way to contact. Then, report to the Corporate Governance Committee and the Audit Committee for acknowledgment

Measures to protect complainants or those who cooperate

Complainants or those who cooperate in the examination will be protected in accordance with the criteria and the complaints policy as follows;





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1. The complainant or stakeholders or those who cooperate in good faith at all stages of the investigation process will be protected or non-Retaliation
2. Information of the complainant and related persons will be concealed in the confidentiality layer following the company regulations regarding the definition of confidentiality and security regarding documents
3. The complainant or the affected person will receive remedies and relief according to the appropriate steps of the company

In 2018, no clues or complaints relating to illegal acts or ethics of infringement, inaccurate financial reports, corruption and the defective internal control system of the company were reported to such channel.

Caring for conflicts of interest

The Board of Directors will be strictly monitoring transactions that may have conflicts of interest or related transactions or related transactions. In considering such transactions, the Board will ensure that the company's implementation is in accordance with relevant regulations and rules. The company will specify these transactions as they are the transaction with an external third party (arm's length basis), which any interested person in the transaction will not be involved in the approval process of the said transaction. The company has a policy of conducting transactions with individuals who may have conflicts of interest with the employees, so that the transactions that may have conflicts of interest would be treated fairly, transparently, in accordance with relevant regulations and must ensure that the disclosure of information is complete and accurate according to the principles of good corporate governance.

In considering the agenda with any director in the Board of Directors having an interest, the director must notify his / her interest at least before considering that agenda and the secretary of the board of directors shall record in the minutes of the board meeting including refraining from participating in the meeting for consideration in that agenda.

Prevention of internal data usage

1. The Board will ensure that the company has policies and guidelines for keeping and preventing the use of internal information in written document. The document should include information that has not been disclosed to the public in general, which is significant to changes in the price or value of securities and take care to be taken seriously in order to prevent directors, executives, employees and related person who are in a position or status that has the opportunity to know the inside information of the company. The company would ensure that these people would not exploit that information for oneself or others,





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such as trading securities before the information is publicly disclosed, using information or secrets of the company / customers to use in doing business, competing with the company / customers of the company
 o exploitation of authority in wrongful ways

2. The Board of Directors will require the directors, executives from the Chairman of the Executive Committee, Executive Director, managing director or assistant managing director, Chief Financial Officer, Chief Operating Officer, Chief Financial Officer to responsible for disclosing information and reports on holding of securities issued by the company, both for themselves, spouses and underage children to the Office of the Securities and Exchange Commission (SEC) including reporting changes in such securities holding every time when buying, selling, transferring or accepting transfer of such securities regarding to the report form and within the period specified by the SEC

In addition, the management has a duty to prepare a report of the shares of the company hold by the directors, executives and spouses, children who have not reach 20 years old to the board for acknowledgment. The management also has to prepare a summary report of changes in the holding of the Company's securities of the Board of Directors, the Chairman of the Executive Committee, Executive Director, managing director or assistant managing director, Chief Financial Officer Chief Operating Officer, and Management including spouses and underage children and disclosure those information in the annual report

Internal control

The Board of Directors will ensure that the company has an internal control system both at the management level and the operational level and has a framework for overseeing risk management and information technology management that is in line with the needs of the company that is efficient, appropriate and sufficient. The company frequently assesses the internal control system of the company, and supervise various departments of the company to comply with laws and relevant regulations, policies and regulations of the company to ensure that the interests of the company and stakeholders are best taken care of

Business ethics and ethics

The Board recognizes good practices in order to maintain and promote honor and reputation of the company. The Board will oversee the business ethics and the code of conduct for directors, executives and employees so that everyone understands the ethical standards that the company uses in business operations. Therefore, there will be a proper conduct of the business, showing virtue and ethics in daily work that will lead to the creation of trust and trust from stakeholders





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Principle 7: Maintain financial credibility and disclosure.

Disclosure and transparency

The company has a policy to disclose information of both financial information and important general information related to the business and operating results of the company that is true, complete, sufficient, reliable, straightforward and timely. The company would also demonstrate the status of the business, the true financial status of the company, as well as, the direction of the company's business operations in the future, so that shareholders and stakeholders can conveniently and quickly access information on various matters in both Thai and English. The company would disclose the information in the SET Portal of the Stock Exchange of Thailand and the website www.fpiautoports.com. The Company adheres to the laws, rules and regulations that is determined by the SEC, the Stock Exchange of Thailand and those that other agencies strictly stated. The company also regularly follow up on changes to ensure that what the company has treated is correct and is a guarantee for shareholders to believe in transparent of the business operations that are straightforward, with investor relations (IR) and company secretary (Corporate Secretary) takes care in providing information and answering questions.

Disclosure

1. The Board will ensure that the company discloses both financial and non-financial information related to the business and the operating results of the company that is true, accurate, complete, sufficient, reliable and timely by showing the status of the business and the true financial status of the company for the stakeholders of the company to receive sufficient information through various channels. The shareholders can access information equally on the company's website with both Thai and English version

2. The Board of Directors will ensure that the company discloses important information to the public in accordance with the rules and regulations for disclosure of information of the Stock Exchange of Thailand, the SEC, as well as the principles of good corporate governance.

3. The Board of Directors attaches importance to managing relationships with both domestic and foreign institutional and individual investors by considering the accuracy and completeness, quality and adequacy of the company's information disclosed to investors, securities analysts, etc. that are accurate, transparent Thorough and timely. The Board will ensure that the management of the company regularly meet with investors and securities analysts by holding a meeting to clarify the operating results at least twice a year, as well as, regularly attending seminars with investors and securities analysts both domestically and internationally to create confidence in the operations of the company and building good relationships in the long term





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4. The Board will ensure that the company prepares management explanations and analysis (Management Discussion and Analysis or MD&A) for the disclosure of quarterly financial statements in order to allow the investors to get information and understand the changes in the financial position and results of operations in each quarter

5. The Board of Directors will establish an Investor Relations unit to communicate with investors, general securities analysts and etc. They will receive information about the company of both financial and general information of the company that is accurate, complete, timely and in accordance with the law or various rules to be useful for investment decisions, building confidence and create a good image for the company

6. The Board of Directors will ensure that the company discloses general information of the company on the website or annual report of the company in Thai and English for the shareholders, investors, the public or interested persons to have easy access to the company information with the following minimum information;

1. Vision and Mission of the company
2. Nature of the company's business
3. List of directors and executives
4. Financial statements and reports on current and previous financial and operating results
5. Form 56-1 and annual report that can be downloaded
6. Any other information or documents that the company brings to analysts Fund manager or various media
7. Group structure including subsidiaries, associates, joint ventures
8. Shareholding structure of major shareholder groups, both direct and indirect, which hold shares from 5% of the paid-up shares all with voting rights
9. Shareholding of directors and senior management
10. Invitation to the Annual General Meeting and Extraordinary General Meeting of Shareholders
11. Company regulations and memorandum of association
12. Corporate Governance Policy and anti-corruption policy
13. Risk management policy of the company Information Technology Supervision and Management Policy
14. Roles and Responsibilities of the Board and sub-committees
15. Ethics for directors and employees
16. Contact Information or the person responsible for investor relations, such as the name of the person who can provide information telephone number Information for the person responsible for the company secretary



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17. Other information in accordance with good corporate governance principles or according to relevant official rules



Principle 8: Support participation and communication with shareholders

The board should ensure that shareholders participate in important decisions of the company, including supervising the disclosure of the resolutions of the meeting and the preparation of the minutes of the shareholders meeting that is accurately and completely following the basic rights

Rights of Shareholders

The company recognizes the importance of the rights of shareholders with responsibility in managing the company with care and prudence, taking into account the rights and equality of the shareholders and maintaining the best interests of the shareholders by the shareholders of the company have the following basic rights

1. Right to trade or transfer shares
2. Right to attend the shareholders' meeting
3. The right to appoint a proxy to attend the meeting and vote
4. Rights to propose additional agenda
5. Right to receive dividends
6. Rights to nominate persons as directors
7. The right to vote, elect or remove directors individually
8. The right to vote, appoint and determine the auditor's remuneration
9. The right to vote for various agenda of the company
10. Rights to express opinions and ask questions at the shareholders' meeting and sending questions in advance
11. The right to receive information and company information adequately and timely
12. Facilitating shareholders to exercise their rights to attend and vote fully

The company gives importance and respects the rights of every shareholder. Regardless of whether the shareholder is a major or minority shareholder, institutional investor or foreigner. In 2018, the company has conducted the right of shareholders' as summarized below;

1. Providing important and necessary information for shareholders that is clear and up-to-date business operations although some of them are not in the criteria required by law to be disclosed. If the company





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considers that it is necessary that the shareholders should be informed, the company will disclose that information on the company's website and the information will be disseminated in system of the SET immediately

2. The Annual General Meeting of Shareholders for 2018 held on Tuesday 25 April 2018 at 14.18 at the Emerald Hotel, Panorama Room 1, 14th Floor, 99/1 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok The Company took care of the shareholders who attended the meeting and provide them with the convenience. The important points of the meeting is summarized as follows:

Before meeting

1. Allowing shareholders to propose matters for consideration as agenda items and nominating qualified persons to be elected as directors before the Annual General Meeting of Shareholders for the year 2018. The company announced the criteria for nominating persons and specify the clear steps. The nomination period was between 31 October 2017 and 31 December 2017, via the channel of the SET and published on the website of the company www.fpiautoparts.com in the topic of shareholder information Shareholders' meeting in order to show the right of shareholders, as well as, treating every shareholder fairly and equally.

According to the criteria set by the company by the Nomination and Remuneration Committee, they will selected qualified individuals and the Corporate Governance Committee will consider and scrutinize matters that are appropriate to be proposed as meeting agenda in accordance with the criteria before proposing to the Board of Directors' meeting to consider again. The Board of Directors will notify the result of the consideration together with the reasons for the shareholders to know in the shareholders' meeting, which appears that the year 2018, no shareholder proposed the agenda and nominate persons to be elected as directors to the Company

2. In order for all shareholders to receive information that is clear enough and has time to study information in advance, the company has reported to the Stock Exchange of Thailand to disseminate to shareholders immediately after the Board of Directors held on 20 February 2017. It was resolved to set the date of the 2017 Annual General Meeting of Shareholders on Tuesday, 4 April 2017 and also informed the date of the right to Shareholders attending the meeting (Record date) on March 8, 2017 and in receiving dividends Book closing date for share transfer Including dividend payment by notifying the company website

3. Publish meeting invitation both Thai and English on the company website in advance over 30 days before the meeting date with meeting documents proxy procedure, important documents used to attend meetings and proxies that are convenient and not difficult to attend the meeting, as well as, travel maps to attend the meeting, and telephone numbers to inquire about meeting attendance conveniently, the meeting





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agenda, objectives and reasons, opinions of the Board of Directors on each proposed agenda are provided with clear information. The invitation letter was sent in advance by mail to shareholders for 21 days before the meeting date

4. In the event that the shareholders are unable to attend the meeting by themselves, the company allows shareholders to appoint independent directors who have no interest in the proposed agenda or any person to attend the meeting on their behalf. They can choose to use the proxy form as specified by the Ministry of Commerce in any form that the company have been sent together with the invitation letter which the company suggesting to use a format that shareholders can set the voting direction. Download Proxy Form Both Thai / English through the Company's website so that shareholders can be more convenient and faster. In addition, the company also gives shareholders the rights to attend the meeting after the chairman of the meeting has opened the meeting. The shareholders can attend the meeting and vote on the agenda that is being considered and has not yet voted and counted as a quorum from the agenda that had been attended, which will increase the number of shareholders attending the meeting in the minutes of the meeting

Meeting date

1. The company held a shareholders' meeting on Tuesday, April 25, 2018 at 14.18 at The Emerald Hotel, Panorama Room 1, 14th Floor, 99/1 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok. The company has selected the meeting place where shareholders can travel easily and prepare a meeting room that supports a large number of shareholders attending the meeting so that shareholders can attend and ask questions, as well as, expressing opinions in the same meeting room, which will make the meeting run smoothly and effectively. In addition, the exhibition provides knowledge about the business and operating results of the company by the speaker who is the employee of the company in front of the meeting room to allow shareholders to receive information and asked question about the operations of the company in, as well as providing adequate food and beverages to the number of attendees

2. The company has determined that the meeting procedure is legal and consider the convenience, rights and equitable treatment of shareholders by registering to attend the meeting with a barcode system for convenience. This makes the registration process faster and has arranged by the staff with appropriate and adequate technology knowledge to facilitate the examination of shareholder documents in advance. It was opened for shareholders to register before the meeting for more than 2 hours

3. At the 2018's Annual General Meeting of Shareholders, there were 10 directors attending the meeting. The Chairman of the Board did not attend the meeting but she assigned the independent director and the





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chairman of the audit committee to act on behalf. All sub-committee members attended the meeting along with high-level executives, auditors, legal counsel, rights volunteer including lawyers and shareholders who volunteer to act as witnesses in the vote counting, where the chairman acts as the chairman of the meeting, introducing the attendees and announced the number of attendees, the total number of shares entitled to vote, to the meeting. In the Annual General Meeting of Shareholders for 2018, there were a total of 56 attendees. In addition, the voting method was explained and counting votes for shareholders to acknowledge before the meeting starts. Chairman of the meeting conducted the meeting according to the agenda without adding any other agenda other than those specified in the meeting invitation. They have arranged for ballots in every agenda, both agree, disagree and abstain. The chairman of the meeting has allocated sufficient time to allow the shareholders to have equal rights in expressing opinions and asking questions relating to the agenda and the operations of the company by the chairman. At the meeting, the chairman of the sub-committee as well as the Chief Executive Officer and the President were assigned. Also, related senior executives answered questions of shareholders on various issues including having to record important questions and comments in the meeting report completely

4. The company has given the right to select and appoint directors who are retire by rotation according to the company's regulations and also gives shareholders the right to consider and approve remuneration for the board of directors and sub-committees, with details about each director proposed to be elected along with details about the remuneration of the board and adequate sub-committees that shareholders can use for consideration In addition to the rights of such shareholders. The Company does not prevent or create obstacles to allow shareholders to communicate between each other.

After the shareholders' meeting

1. The company disclosed the resolutions of the 2018 Annual General Meeting of Shareholders through the news system of the Stock Exchange of Thailand. Within the next working day after the meeting, the resolution stated that the votes of the shareholders were both agreed, disagree and abstain in each agenda and prepared the minutes of the meeting, which indicated the names of directors, executives and related persons attending the meeting important explanations, Questions / answers, complete summary both Thai / English are delivered to the Stock Exchange of Thailand, shareholders and related agencies within 14 days from the date of the meeting and published on the company's website www.fpiautoparts.com to allow the shareholders to be able to check from the continuous development and improvement of the shareholders' meeting in 2018, the company received the assessment results of the 2018 Annual General Meeting of Shareholders in accordance with the criteria "Very good. (3 stars)" From the Annual General Meeting: AGM Quality Assessment Program from the Thai Investors Association



Equitable Treatment of Shareholders (The Equitable Treatment of Shareholders)

The company is aware of the duty to take care of the interests of both major and minor shareholders, institutional, investors or foreign shareholders. According to fair rights that has a policy to treat all shareholders equally when they are attending the shareholders' meeting and voting to receive information, performance and consistent and timely management policies as follows

1. Give importance to every shareholder regardless of gender, age, color, nationality, religion, belief, political opinion or disability. Define supervision guidelines to protect the basic rights of shareholders equally and fairly, creating confidence in investment with the company, to operate efficiently, to create sustainable growth for the organization and for the shareholders to continuously receive appropriate returns and stakeholders with sustainable and fair care by using modern management tools that are accepted in the monitoring of results

2. Practice and take care of every shareholder. All shareholders can suggest and comment or report to the Chairman of the Corporate Governance Committee (Independent Director) and Company Secretary via email o.sarayuht@gmail.com. The independent directors of the company will consider and screen various matters and announce appropriate actions. In the case that it is necessary to propose to the Board of Directors for consideration and that it is beneficial to the business of the company, the matter will be proposed to the Board of Directors' meeting for consideration as an agenda in the shareholders' meeting. In addition, there is a channel for institutional investors can request information or comment via email ir@fpi.co.th, which has an investor relations unit responsible for providing information to investors and in the event that the shareholder wishes to appoint a person to attend the meeting and vote on behalf of the company, the company sends a proxy form that shareholders can specify the vote to approve, disagree or abstain in each agenda as desired, as well as details about the name and history of the independent directors of the company as an option for shareholders to appoint proxies, including identifying evidence documents and proxy procedures along with the invitation letter in both Thai and English

3. Strengthening good relations with shareholders. In 2018, the company has also organized activities that are benefit to society. It also creates a good relationship with the shareholders of the company, which gives equal rights to shareholders regardless of whether they are major or minor shareholders by organizing activities for shareholders including organizing the shareholders' visit to the company "Company Visit 2018" at the company's office. Shareholders meet with executives, listen to the business information, visit the factory location of the company on December 25, 2018. In addition, they also met with shareholders through various activities, such as the "Mai. Forum 2018", "Roadway to Mai. No. 1 and No. 2 SMEs Preparation Project to enter the Mai. market", which the company jointly organized. The company has organized various activities with the cares to shareholders and ready to disclose transparent information.





Corporate Social Responsibility

Sustainable Business Development with the Environment and Society Policy

Fortune Parts Industry Public Company Limited is committed to managing in accordance with good corporate governance and Focus on business development and achieve sustainable economic, social and environmental. The company is recognized by all sectors of both domestic and international. The company also encourage stakeholders to operate the business with responsibility to social and environmental or CSR, follows the international model as well as international business development along with environmental and social guidelines of Global Reporting Initiative (GRI) and Sustainable Development Goal (SDGs) which published annually. The company implements leading practices in corporate social responsibility and the environment as a part of the management of business processes. The policies are as follows:

Good business supervision

Operate business under the related law and regulations with transparency and disclose significant information that could be examined. Follow the operational policy by considering the benefits of the shareholders, employees, community and society at large, business partners, media, customers, competitors, creditors, public sector and every stakeholder.

Fair business operation

Support free trade and 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 and society under law, regulation and fair condition, 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, 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.





Corporate Social Responsibility

Community and Social development

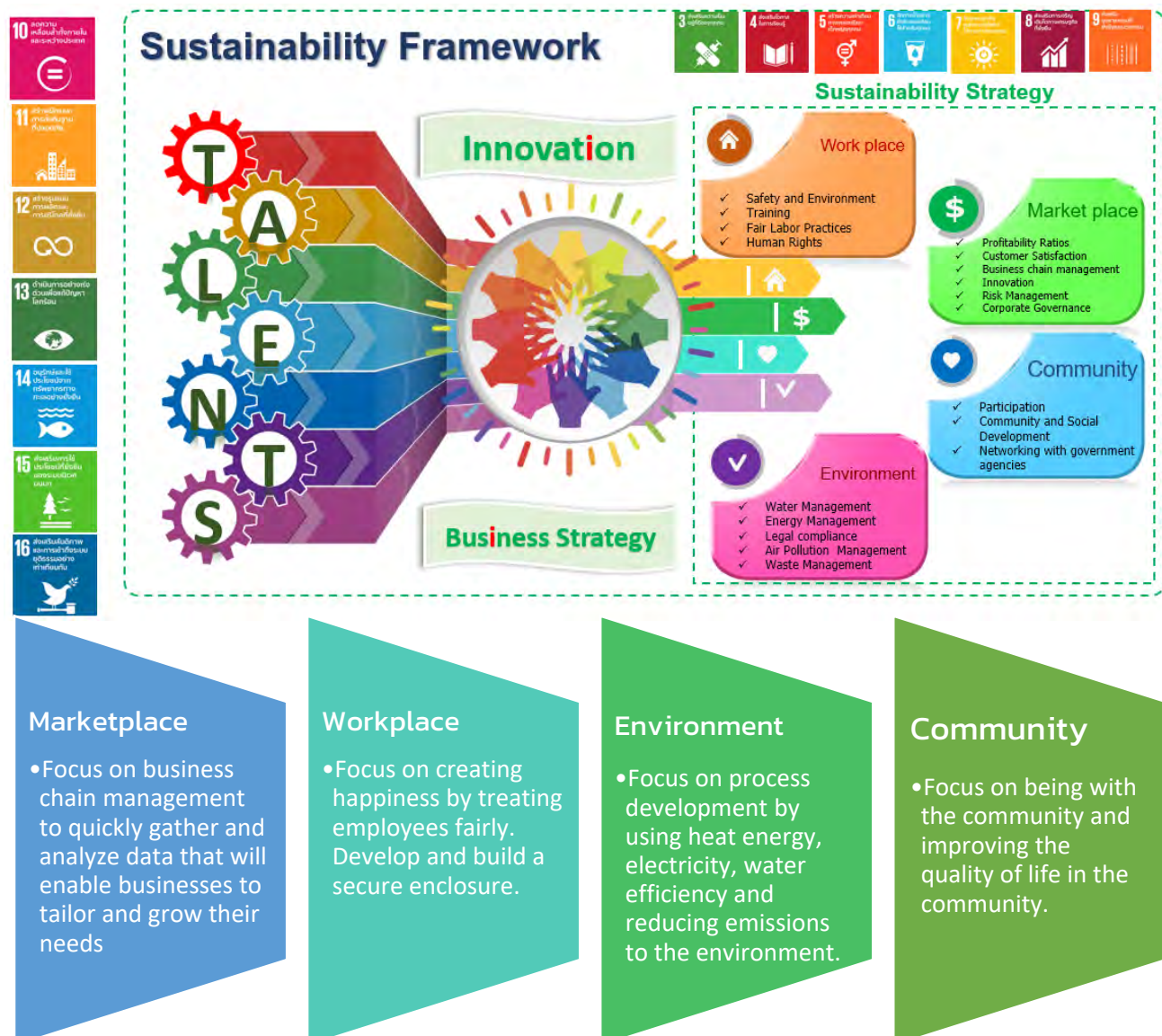
Support business process to develop the living quality, and help building economic and strength to the community and Thailand's society.

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



Internal Control and Risk Management

Internal Control 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 and adequate oversight of operations to ensure compliance with goals, objectives, laws, and requirements which consistent with the SEC and the Stock Exchange of Thailand. The company also see 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 that has accuracy, transparency, verifiable, and can reduce or prevent any potential damage.

Regarding the committee meeting of 1/2019 on 21 February 2019, the committees including four people participated in the meeting. The committees assessed the company's internal control system for the year 2018 by following assessment format of SEC. The assessment of internal control system focused on five sections: 1) organization and control environment 2) Risk Assessment 3) Management control 4) Information and Communication 5) Monitoring. Management has performed and the results of reviewing the internal control system evaluated by the Audit Committee that the Board of Directors considered stated that FPI's internal control system 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 company's assets from the use of directors or executives in misleading way or without authorization.

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 in operation. 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. The details are described below;

The Board maintains its independence from the management who has responsibility to supervise 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, management and employees. All employees are accountable for their internal control activities and maintain effective internal control system. The policies have regularly been

Internal Control and Risk Management

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.

2. Risk Assessment

The Board and the management recognize the significance of risk management which enables FPI to achieve its short-term and long-term goals. Therefore, the Risk Management Committee appointed by the Board is responsible for overseeing the appropriateness, effectiveness, and efficiency of FPI's risk management as follows:

1. Objective Setting

The company established objective of risk management that is consistent with FPI's strategic direction and the company's acceptable risk to implement the precise and suitable goals of the company's risk management.

2. (Risk Identification)

Management of each section will gather the possible incidents that could happen in the section and process, including both internal risk and external risk that if happen could affect the company's objective and goal; for instance, management policy, employees, operation, finance, information and communication, laws, rules and regulations. Entirely to understand the incident and situation, so the management could consider the way and policy to manage potential risk.

3. Risk Assessment

Risk assessment is a way to measure the degree of risk that could impact in order to rank the significance of the existing risk by assessing from the likelihood and the impact of the risk.

4. Risk Response

The company will respond to the risk after the company can identify and assess the risk. The company would mitigate the likelihood that the risk will occur and reduce the impact to the degree that is acceptable by using appropriate risk management and worth the investment.



Internal Control and Risk Management

5. Control Activities

To develop activities and framework to reduce or control the risk in order to build the confidence that the company has the best way to manage risk. Therefore, the company could operate the business to meet objectives and goals of the company, prevent and reduce the risk to the acceptable level.

6. Information and Communication

The company has effective information and communication system because it is the important basis to consider in managing the risk following the company's stipulate process and conduct.

7. Monitoring

The company set up a policy to follow up the result of risk management in every 6 months to acknowledge the appropriateness of the business operation and whether the activities could effectively manage the risk or not.

For risk management, the company assesses and control the risk of all of the organization including: 1. Prepare risk profile for organization level, business unit, and business section, 2. Investment risk management, 3. Process risk management. Risk assessment take into account for both internal and external factors, as well as, the opportunity of occurrence of fraud and corruption. What is more, the company implement plan to manage and mitigate the risk to acceptable level. The company also frequently reviews and monitors the operation following the risk management plan which are the responsibility of all the business unit in the company to manage and control the risk into acceptable level.

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 as 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 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.

Internal Control and Risk Management

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 and 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.



Internal Control and Risk Management

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 2018, the company assessed the internal control of sales, purchase, production, quality control, store and deliver, receive and payment, accounting process by independent internal auditor whose is directly under the Audit Committee. The internal auditor has audited and assessed the effectiveness of the company's internal control following the approval of audit plan from the Audit Committee. The audit plan is based on the company's strategy and the crucial risk that could affect the company's operation. Moreover, the internal auditor also provides suggestion to enhance effectiveness and efficient of internal control to the company's management. However, in 2018, 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 has related party transactions with related person and related parties who may have conflict of interest in which all of these being made in a normal course of business of the company. To approve the related party transactions, the company implement policies to proceed according to normal trading terms by referring to appropriate market prices and conditions. In case when the transaction is not the ordinary business transaction or trading terms, such transaction must be approved in the Board of Directors' meeting. For the approval of the related party transaction, the directors, person and parties who may have conflict of interest will not be entitled to vote of such transaction. Moreover, the transactions must be reported to the company's Board of Directors for further acknowledgement accordingly and it must be ensured that the transaction provides maximum benefit to the company.

To examine the transactions, the Audit Committee must attend the meeting for review its necessity and reasonableness by considering price and rate of return of such transaction unless the 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. Nonetheless, if the Audit Committee does not have expertise in reviewing the arisen transaction, the company would arrange to have person with expertise and skill such as the company's auditor and independent expert to provide opinion on the related transaction. Opinion of the Audit Committee or expert may be used to support the decision making of the company's Board of Directors or shareholders.

Furthermore, the information of related party transactions will be disclosed in the notes to financial statements which is audited by the company's independent auditor. The related party transaction must be made in accordance with the Securities and Exchange Act, rules and regulations, notifications, orders or terms and conditions of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand which concern 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 procedure concerning the disclosure of information of the related transaction, and the acquisition or disposal of major assets of the company.

To enter in the potential related party transaction in the future, the company has approval procedures of the transactions stipulated above. The company has policy to operate in accordance with the ordinary course of business by referring to applicable market prices and condition to maximize the benefit of the company.

Details of Related Party Transactions

According to the resolution from the Board of Directors meeting No. 2/2019 on 21 February 2019 with the participation of Audit Committee and the independent directors to review the related party transaction for the period ended 31 December 2018 and 31 December 2017. The Board of Directors provided an opinion regarding the company's related party transactions that such related party transactions were necessary for the ordinary course of business while the terms of such related party transactions with related person and parties during the



Related Party Transactions

period followed the market prices, purchase prices from other sellers and weight average price of the region which are reasonable and in accordance with the business. The details of the transaction can be summarized as follows:

(Unit: Thousand Baht)

Related person and parties	Type of transactions	Value of related party transaction for the year ended		Nature of the transactions
		31 December 2018	31 December 2017	
Sangthong Auto Partsworld Co., Ltd. Company owned by related person of the company's management	Sales Trade Receivable	52,070 25,521	56,519 25,812	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Sangthong Auto Partsworld Co., Ltd. Company owned by related person of the company's management	Purchases of Goods Trade Payable	37,892 5,602	59,767 12,971	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
United Auto Co., Ltd. (Previous name: Tongfong Automobile (Thailand) Co., Ltd.) Company owned by related person of the company's management	Sales Trade Receivable	- 6,225	- 6,225	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
EMP Innovation Co., Ltd. (Previous name: United Engine Co., Ltd.) Company owned by related person of the company's management	Sales Trade Receivable	- 6,472	- 6,472	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
ALP FPI PARTS PRIVATE LIMITED Joint Venture	Sales Trade Receivable	17,387 6,642	52,527 9,855	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
ALP FPI PARTS PRIVATE LIMITED Joint Venture	Other Receivable	26	11,122	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize

Related Party Transactions

				profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Safe Energy Holdings Co., Ltd. Joint Venture	Other Receivable	35,496	38,790	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
ALP FPI PARTS PRIVATE LIMITED Joint Venture	Other Payable	-	-	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA Joint Venture	Other Payable	8,361	8,421	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Fortune Box Industry Co., Ltd. Company owned by related person of the company's management	Sales Trade Receivable	23 2	28 2	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Fortune Box Industry Co., Ltd. Company owned by related person of the company's management	Purchase of Goods Trade Payable	27,340 5,210	25,801 7,027	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
S.C.G. Industry Co., Ltd. Common director and shareholding	Purchase of Goods Trade Payable	1,310 663	899 286	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
S.C.G. Industry Co., Ltd. Common director and shareholding	Services	5	8	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Imperial Cable Industry Co., Ltd.	Sales Trade Receivable	- -	285 -	Related party transactions are in accordance with an ordinary course of business and support



Related Party Transactions

Common shareholding				the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Imperial Cable Industry Co., Ltd.	Purchase of Goods Trade Payable	11 -	37 17	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Common shareholding				
Joint Ventures	Non-Current Assets	-	51,724	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
K-Mart Service Co., Ltd.	Oil and Gas Other Payable	280 48	337 62	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Common director and shareholding				
S C G Hatairath Co., Ltd.	Oil and Gas Other Payable	343 55	285 53	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Common director and shareholding				
Super Central Gas Co., Ltd.	Service fees	149	-	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Common director and shareholding				

Measures or Process of Related Party Transaction Approval

To prevent any conflict of interest that could be arisen from the transaction, the process to perform the related transaction between the company and related person/parties, and the benefit that is not in the normal course of business or normal commercial terms must be presented to the Board of Directors' meeting for approval. Directors and any person 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 of the company.

To examine the transactions, the Audit Committee must attend the meeting for review its necessity and reasonableness by considering price and rate of return of such transaction unless the 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. The related party transaction must be made in accordance with the Securities and Exchange Act, rules and regulations, notifications, orders or terms and conditions of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand which concern 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 procedure concerning the disclosure of information of the related transaction, and the acquisition or disposal of major assets of the company.

Policy or Tendency of Related Party Transactions

To enter in the potential related party transaction in the future, the company has approval procedures of the transactions stipulated above. The company has policy to operate in accordance with the ordinary course of business by referring to applicable market prices and condition to maximize the benefit of the company. The Audit Committee and/or Independent Directors are required to audit and provide opinion, taking into account the necessity and appropriateness of price and return of the transactions. To enter in the potential related party transaction in the future, the company has approval procedures of the transactions stipulated above. The company has policy to operate in accordance with the ordinary course of business by referring to applicable market prices and condition to maximize the benefit of the company.



Report of

Risk Management Committee

Dear Shareholders,

Fortune Parts Industry Public Company Limited always places a great deal of emphasis on risk management to



ascertain its performance under the uncertainty context. To achieve the objectives, create a value added for the business, and to build sustainable growth, the company is supervised by the Risk Management Committee which is

composed of qualified professionals with experience and expertise in risk management. Their role is to monitor and manage the organizational risk following the responsibilities and accountabilities assigned by the Board of Directors. In 2018, there were a total of four Risk Management Committee meetings. The major issues of what the Risk Management Committee has done can be demonstrated as below.

1. Reviewed the Risk Management Committee Charter, present to the Board of Directors for approval and implement. Also, 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 price of raw material and foreign exchange rate. During the past year, there is high volatility in raw materials' 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. Quarterly reported the risk management performance to the Board of Directors.

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

Overall, the Risk Management Committee greatly values their roles, which ensure both efficiency and effectiveness in the risk management. Rigorously work of the Risk Management Committee to allow 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



(Mr. Anant Gatepithaya)

Chairman of the Risk Management Committee



Report of

the Board of Directors' Responsibilities toward the Financial Reports

Dear Shareholders,

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

The Board of Director believes that the company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the company's financial statements as at 31 December 2018 which the company's auditor has audited based on the Generally Accepted Accounting Standards. The auditor provides the opinion that the financial statements fairly present the company's financial position and the results of its operations in accordance with generally accepted accounting principles.

(Mr. Samgcharean Tanadumrongsak)
Vice Chairman

(Mr. Sompol Tanadumrongsak)
Chief Executive Office



Report of the Audit Committee



Dear Shareholders,

The Audit Committee of Fortune Parts Industry Public Company Limited (FPI) consists of four independent directors who are experienced in the fields of management, finance, accounting, economics, and law. Currently, the Audit Committee are consisted of Mr.Suthanai Prasertsan, president over the committee as chairman. The other three directors are Mr. Anant Gatepithaya, Mr. Pumipat Sinacharoen, 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 2018, the Audit Committee held a total of four meetings. The Audit Committee, Mr. Suthanai Prasertsan, Mr. Anant Gatepithaya, Mr. Pumipat Sinacharoen, 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 2018, 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.



Report of the Audit Committee

2. Review of Risk Management

The Board of Directors, the Risk Management Committee, and management in general have 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 the 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 Director 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 the Effectiveness of Internal Control Systems

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 Acc Plus Consultant Co., Ltd. as an internal auditor. 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



Report of the Audit Committee

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. There is 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 External Auditor for the year 2018

The Audit Committee selected auditors from auditors who proposed their service to the company. The company take into consideration their qualifications, capabilities, and service fees. The Audit Committee nominated the following auditors to the Board of Director, who then proposed these names to the shareholder meeting to be appointed as the 2018's auditor: Miss Manee Ratanabunnakit, C.P.A. License No. 5313 or Miss Kosum Chaeam, C.P.A. License No. 6011 or Mr. Ritda Lertwasana, C.P.A. License No. 4985 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 2018, 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 and the Charter for Internal Audit

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



Report of the Audit Committee

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 2018, a total of four reports were made.

From the above-mentioned activities throughout 2018, 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

Mr. Suthanai Prasertsan

Chairman of the Audit Committee





Fortune Parts Industry Public Company Limited



Report and financial statements
31 December 2018

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 2018 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 2018, 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 drew attention to Note 4 and Note 11 to the financial statements that, during the year 2017, Safe Energy Holdings Company Limited, the joint venture of the Company, acquired shares of Prize of Wood Green Energy Company Limited, Bina Puri Power (Thailand) Company Limited and SAFE Biomass Company Limited from the former shareholders. At present, the joint venture had completed the assessment of the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of three subsidiary companies of the joint venture acquired. The Company had restated the prior period's financial statements, presented as comparative information, to reflect the fair value of the assets and liabilities from such acquisitions to comply with Thai Financial Reporting Standard 3 (revised 2017) Business Combinations, which affect share of profit from investments in joint venture 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 to 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 recognized 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 realizable value of inventory, as disclosed in Note 10 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 to which management paid close attention, as disclosed in Note 9 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: 21 February 2019

Statement of Financial position

Fortune Parts Industry Public Company Limited

As at 31 December 2018

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2018	2017 (Restated)	2018	2017
Assets					
Current assets					
Cash and cash equivalents	8	87,940,212	259,137,259	87,940,212	259,137,259
Trade and other receivables	7, 9	678,062,472	724,070,889	678,062,472	724,070,889
Inventories	10	434,605,040	429,724,900	434,605,040	429,724,900
Other current assets		47,739,891	62,699,863	47,739,891	62,699,863
Total current assets		1,248,347,615	1,475,632,911	1,248,347,615	1,475,632,911
Non-current assets					
Investments in joint ventures	11	294,157,879	235,666,426	300,176,214	226,627,714
Property, plant and equipment	12	1,002,744,808	1,020,621,142	1,002,744,808	1,020,621,142
Intangible assets		650,032	1,097,176	650,032	1,097,176
Deferred tax assets	21	6,682,116	6,796,799	6,682,116	6,796,799
Other non-current assets	7	887,600	52,373,200	887,600	52,373,200
Total non-current assets		1,305,122,435	1,316,554,743	1,311,140,770	1,307,516,031
Total assets		2,553,470,050	2,792,187,654	2,559,488,385	2,783,148,942

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



Statement of Financial position (continued)

Fortune Parts Industry Public Company Limited

As at 31 December 2018

(Unit: Baht)

		Financial statements in which			
		equity method is applied		Separate financial statements	
	Note	2018	2017 (Restated)	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	378,114,460	978,841,289	378,114,460	978,841,289
Trade and other payables	7, 14	274,470,533	285,548,029	274,470,533	285,548,029
Current portion of long-term loans	15	93,999,012	88,465,155	93,999,012	88,465,155
Income tax payable		7,299,737	4,189,369	7,299,737	4,189,369
Short-term provision	16	2,046,238	3,589,398	2,046,238	3,589,398
Other current liabilities		18,651,134	23,459,396	18,651,134	23,459,396
Total current liabilities		774,581,114	1,384,092,636	774,581,114	1,384,092,636
Non-current liabilities					
Long-term loans, net of current portion	15	84,173,440	70,039,377	84,173,440	70,039,377
Provision for long-term employee benefits	17	17,214,255	13,848,278	17,214,255	13,848,278
Total non-current liabilities		101,387,695	83,887,655	101,387,695	83,887,655
Total liabilities		875,968,809	1,467,980,291	875,968,809	1,467,980,291

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

Statement of Financial position (continued)

Fortune Parts Industry Public Company Limited

As at 31 December 2018

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2018	2017 (Restated)	2018	2017
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					
1,513,029,934 ordinary shares of Baht 0.25 each (2017: 1,268,016,959 ordinary shares of Baht 0.25 each)	18	378,257,484	317,004,240	378,257,484	317,004,240
Share premium	18	745,079,451	316,306,745	745,079,451	316,306,745
Advance from share subscription		-	136,777,700	-	136,777,700
Retained earnings					
Appropriated-statutory reserve	19	39,573,191	39,573,191	39,573,191	39,573,191
Unappropriated		526,118,859	514,545,487	520,609,450	505,506,775
Other components of shareholders' equity		(11,527,744)	-	-	-
Total shareholders' equity		1,677,501,241	1,324,207,363	1,683,519,576	1,315,168,651
Total liabilities and shareholders' equity		2,553,470,050	2,792,187,654	2,559,488,385	2,783,148,942

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

Directors

The accompanying notes are an integral part of the financial statements



Income statement

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2018

(Unit: Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Revenues				
Sales	1,939,125,731	1,977,094,832	1,939,125,731	1,977,094,832
Service income	1,097,658	2,069,398	1,097,658	2,069,398
Export incentive	9,336,674	25,304,818	9,336,674	25,304,818
Other income	17,518,953	17,458,351	17,518,953	17,458,351
Total revenues	1,967,079,016	2,021,927,399	1,967,079,016	2,021,927,399
Expenses				
Cost of sales	1,571,713,606	1,524,067,751	1,571,713,606	1,524,067,751
Cost of services	797,979	1,179,404	797,979	1,179,404
Selling expenses	100,577,272	124,397,878	100,577,272	124,397,878
Administrative expenses	128,114,473	118,387,315	128,114,473	118,896,840
Allowance for doubtful accounts (reversal)	5,286,428	(15,314,899)	5,286,428	(15,314,899)
Allowance for diminution in value of inventories (reversal)	(15,065,885)	16,477,310	(15,065,885)	16,477,310
Total expenses	1,791,423,873	1,769,194,759	1,791,423,873	1,769,704,284
Profit before share of profit (loss) from investments in associates and joint ventures, finance cost and income tax expenses	175,655,143	252,732,640	175,655,143	252,223,115
Share of profit from investments in associates	-	2,550	-	-
Share of profit (loss) from investments in joint ventures	(3,529,303)	10,820,133	-	-
Profit before finance cost and income tax expenses	172,125,840	263,555,323	175,655,143	252,223,115
Finance cost	(26,686,723)	(30,796,358)	(26,686,723)	(30,796,358)
Profit before income tax expenses	145,439,117	232,758,965	148,968,420	221,426,757
Income tax expenses	(19,888,871)	(31,638,083)	(19,888,871)	(31,638,083)
Profit for the year	125,550,246	201,120,882	129,079,549	189,788,674
Earnings per share				
Basic earnings per share				
Profit for the year	0.09	0.16	0.09	0.15
Diluted earnings per share				
Profit for the year	0.09	0.15	0.09	0.14

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



Statement of comprehensive income

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2018

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2018	2017 (Restated)	2018	2017
Profit for the year		125,550,246	201,120,882	129,079,549	189,788,674
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Share of other comprehensive income from investments in joint ventures	11	(11,527,744)	-	-	-
Actuarial loss	17	-	(673,578)	-	(673,578)
Less: Income tax effect	21	-	134,716	-	134,716
Other comprehensive income for the year		(11,527,744)	(538,862)	-	(538,862)
Total comprehensive income for the year		114,022,502	200,582,020	129,079,549	189,249,812

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



Statement of changes in shareholders' equity

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2018

(Unit: Baht)

Financial statements in which equity method is applied

	Other component of shareholders' equity					
	Issued and paid-up share capital	Share premium	Advance from share subscription	Retained earnings		Share of other comprehensive income from investments in joint ventures
				Appropriated-statutory reserve	Unappropriated	
Balance as at 1 January 2017	304,641,090	229,764,695	1,908,000	39,573,191	510,973,920	-
Profit for the year - restated	-	-	-	-	201,120,882	-
Other comprehensive income for the year	-	-	-	-	(538,862)	-
Total comprehensive income for the year	-	-	-	-	200,582,020	-
Cash receipt from share subscription as warrants exercised (Note 18)	-	-	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)	-
Balance as at 31 December 2017	317,004,240	316,306,745	136,777,700	39,573,191	514,545,487	-
Balance as at 31 December 2017 - as previously reported	317,004,240	316,306,745	136,777,700	39,573,191	517,655,518	-
Cumulative effect of the adjustments (Note 4)	-	-	-	-	(3,110,031)	-
Balance as at 31 December 2017 - restated	317,004,240	316,306,745	136,777,700	39,573,191	514,545,487	-
Profit for the year	-	-	-	-	125,550,246	-
Other comprehensive income for the year	-	-	-	-	-	(11,527,744)
Total comprehensive income for the year	-	-	-	-	125,550,246	(11,527,744)
Additional ordinary shares issued (Note 18)	61,253,244	428,772,706	(136,777,700)	-	-	-
Dividend paid (Note 23)	-	-	-	-	(113,976,874)	-
Balance as at 31 December 2018	378,257,484	745,079,451	-	39,573,191	526,118,859	(11,527,744)
						1,677,501,241

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

Statement of changes in shareholders' equity (continued)

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2018

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Advance from share subscription	Retained earnings	Total
				Appropriated-statutory reserve	Unappropriated
Balance as at 1 January 2017	304,641,090	229,764,695	1,908,000	39,573,191	513,267,416
Profit for the year	-	-	-	-	189,788,674
Other comprehensive income for the year	-	-	-	-	(538,862)
Total comprehensive income for the year	-	-	-	-	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)
Balance as at 31 December 2017	317,004,240	316,306,745	136,777,700	39,573,191	505,506,775
Balance as at 1 January 2018	317,004,240	316,306,745	136,777,700	39,573,191	505,506,775
Profit for the year	-	-	-	-	129,079,549
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	129,079,549
Additional ordinary shares issued (Note 18)	61,253,244	428,772,706	(136,777,700)	-	-
Dividend paid (Note 23)	-	-	-	-	(113,976,874)
Balance as at 31 December 2018	378,257,484	745,079,451	-	39,573,191	520,609,450
					1,683,519,576

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



Cash flows statement

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2018

(Unit: Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2018	2017 (Restated)	2018	2017
Cash flows from operating activities				
Profit before tax	145,439,117	232,758,965	148,968,420	221,426,757
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	214,108,368	210,260,040	214,108,368	210,260,040
Allowance for doubtful accounts (reversal)	5,286,428	(15,314,899)	5,286,428	(15,314,899)
Reduction of inventory to net realisable value (reversal)	(15,065,885)	16,477,310	(15,065,885)	16,477,310
Gain on sales of equipment	(7,020,441)	(11,733,448)	(7,020,441)	(11,733,448)
Share of profit from investments in associates	-	(2,550)	-	-
Share of loss (profit) from investments in joint ventures	3,529,303	(10,820,133)	-	-
Loss on the dissolution of associates	-	-	-	509,525
Short-term provision	825,281	1,181,669	825,281	1,181,669
Provision for long-term employee benefits	3,365,977	2,690,099	3,365,977	2,690,099
Unrealised loss (gain) on exchange	(23,102)	2,590,705	(23,102)	2,590,705
Interest expenses	22,282,395	26,775,351	22,282,395	26,775,351
Profit from operating activities before changes in operating assets and liabilities	372,727,441	454,863,109	372,727,441	454,863,109
Operating assets decrease (increase)				
Trade and other receivables	36,464,700	27,668,406	36,464,700	27,668,406
Inventories	10,185,745	(90,450,860)	10,185,745	(90,450,860)
Other current assets	14,959,972	(218,813)	14,959,972	(218,813)
Other non-current assets	(237,900)	(1,779,510)	(237,900)	(1,779,510)
Operating liabilities increase (decrease)				
Trade and other payables	(2,298,898)	(12,619,449)	(2,298,898)	(12,619,449)
Other current liabilities	(4,729,209)	(2,774,555)	(4,729,209)	(2,774,555)
Cash paid for short-term provision	(2,368,441)	(1,187,066)	(2,368,441)	(1,187,066)
Cash flows from operating activities	424,703,410	373,501,262	424,703,410	373,501,262
Cash paid for corporate income tax	(16,663,820)	(58,868,222)	(16,663,820)	(58,868,222)
Net cash flows from operating activities	408,039,590	314,633,040	408,039,590	314,633,040

The accompanying notes are an integral part of the financial statements

Cash flows statement (continued)

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2018

(Unit: Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2018	2017 (Restated)	2018	2017
Cash flows from investing activities				
Cash receipt from the return of share capital from investments in associates	-	7,990,475	-	7,990,475
Cash paid for investments in joint ventures	(21,825,000)	(222,265,464)	(21,825,000)	(222,265,464)
Acquisition of plant and equipment and payment of payables for purchase of equipment	-221,914,455	(222,593,976)	(221,914,455)	(222,593,976)
Acquisition of intangible assets	(90,100)	(18,000)	(90,100)	(18,000)
Proceeds from sale of equipment	27,915,984	47,920,619	27,915,984	47,920,619
Net cash flows used in investing activities	(215,913,571)	(388,966,346)	(215,913,571)	(388,966,346)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(600,726,829)	211,659,709	(600,726,829)	211,659,709
Cash receipt from long-term loans	127,331,215	130,714,975	127,331,215	130,714,975
Repayment of long-term loans	(106,985,522)	(152,317,259)	(106,985,522)	(152,317,259)
Cash paid for interest expenses	(22,213,306)	(25,161,266)	(22,213,306)	(25,161,266)
Dividend paid	(113,976,874)	(197,010,453)	(113,976,874)	(197,010,453)
Cash receipt from share subscription as warrants exercised	353,248,250	233,774,900	353,248,250	233,774,900
Net cash flows from (used in) financing activities	(363,323,066)	201,660,606	(363,323,066)	201,660,606
Net increase (decrease) in cash and cash equivalents	(171,197,047)	127,327,300	(171,197,047)	127,327,300
Cash and cash equivalents at beginning of year	259,137,259	131,809,959	259,137,259	131,809,959
Cash and cash equivalents at end of year	87,940,212	259,137,259	87,940,212	259,137,259
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Undue installments for asset purchases	3,669,451	12,467,337	3,669,451	12,467,337
Outstanding receivable from sale of assets	5,010,231	8,543,236	5,010,231	8,543,236
Transfers advance from share subscription to investments in joint ventures	51,723,500	-	51,723,500	-

The accompanying notes are an integral part of the financial statements



Financial statements

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2018

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 have adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company believe that this standard will not have any significant impact on the financial statements when it is initially applied.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:



Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of adjustment for business combination transactions during the measurement period

In the second quarter of 2018, Safe Energy Holdings Company Limited has completed the assessment of the fair value of identifiable assets acquired and liabilities assumed at the acquisition date of Prize of Wood Green Energy Co., Ltd., Bina Puri Power (Thailand) Co., Ltd. and SAFE Biomass Co., Ltd.. The assessment process has been completed within the period of twelve months from the acquisition date as allowed by Thai Financial Reporting Standard 3 (revised 2017) Business Combinations. The Company has restated the financial statements in which the equity method is applied, as presented herein for comparative purposes, to reflect the provisional fair value.

The amounts of adjustment affecting the statements of financial position as at 31 December 2017 and income statements for the year ended 31 December 2017 are presented as below.

	(Unit: Thousand Baht)
	Financial statements in which equity method is applied
	<hr/>
	As at 31 December 2017
	<hr/>
Statements of financial position:	
Decrease in investments in joint ventures	(3,110)
Decrease in retained earnings - unappropriated	(3,110)
	(Unit: Thousand Baht)
	Financial statements in which equity method is applied
	<hr/>
	For the year ended
	31 December 2017
	<hr/>
Income statements	
Increase in share of loss from investments in joint ventures	(3,110)
Decrease in profit	(3,110)
Earnings per share (Baht)	
Decrease in basic earnings per share	(0.003)

The adjustment does not have any impact on the statements of financial position as at 1 January 2017. Therefore, it is not necessary to disclose the amount of the correction at the beginning of the earliest prior period presented.



5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

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

Rendering of services

Service revenue is recognised when services have been rendered.

Export incentive

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

Interest income

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

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Inventories

Finished goods and work in process are valued at the lower of 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.

5.5 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.

5.6 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.

5.7 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
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5.8 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.



5.9 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.

5.10 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.

5.11 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.

5.12 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.

5.13 Income tax

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

Current tax

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

Deferred tax

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

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

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

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



5.14 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.

6. 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.



7. 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.	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.

	2018	2017	(Unit: Thousand Baht) Transfer pricing policy
Transactions with related person and parties			
Sales			
ALP FPI PARTS PRIVATE LIMITED	17,387	52,527	Products: Market price; Mould: Purchase price plus margin 10%
Sangthong Auto Partsworld Co., Ltd.	52,070	56,519	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.	23	28	Selling price within 10% of competitor's selling price
Total	69,480	109,359	
Purchases of goods			
Sangthong Auto Partsworld Co., Ltd.	37,892	59,767	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.	27,340	25,801	Purchased at prices of other suppliers to 6% lower than those for other suppliers
S.C.G. Industry Co., Ltd.	1,310	899	Purchased at prices (plus or minus) 2% of the prices of other suppliers
Imperial Cable Industry Co., Ltd.	11	37	Market price
Total	66,553	86,504	
Interest income			
Safe Energy Holdings Co., Ltd	291	-	7.5 percent per annum
Total	291	-	
Other expenses			
K-Mart Service Co., Ltd.	280	337	Market price
S C G Hatairath Co., Ltd.	343	285	Market price
ALP FPI PARTS PRIVATE LIMITED	-	54	Market price
S.C.G. Industry Co., Ltd.	5	8	Market price
Super Central Gas Co., Ltd.	149	-	Market price
Total	777	684	



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

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
<u>Trade receivable - related parties</u> (Note 9)		
Sangthong Auto Partsworld Co., Ltd.	25,521	25,812
ALP FPI PARTS PRIVATE LIMITED	6,642	9,855
EMP Innovation Co., Ltd.	6,472	6,472
United Auto Co., Ltd.	6,225	6,225
Fortune Box Industry Co., Ltd.	2	2
Total	44,862	48,366
Less: Allowance for doubtful accounts	(353)	-
Net	44,509	48,366
<u>Other receivable - related parties</u> (Note 9)		
Safe Energy Holdings Co., Ltd.	35,496	38,790
ALP FPI PARTS PRIVATE LIMITED	26	11,122
Total	35,522	49,912
<u>Trade payables - related parties</u> (Note 14)		
Sangthong Auto Partsworld Co., Ltd.	5,602	12,971
Fortune Box Industry Co., Ltd.	5,210	7,027
S.C.G. Industry Co., Ltd.	663	286
Imperial Cable Industry Co., Ltd.	-	17
Total	11,475	20,301
<u>Other payables - related parties</u> (Note 14)		
FORTUNE-PARTS INDUSTRY ECUADOR		
CIA LTDA	8,361	8,421
K-Mart Service Co., Ltd.	48	62
S C G Hatairath Co., Ltd.	55	53
Super Central Gas Co., Ltd.	34	-
Total	8,498	8,536
<u>Other non-current assets</u>		
Advance from share subscription	-	51,724

Safe Energy Holding Company Limited received an advance of Baht 16 million from the Company. The Company charged interest at the rate of 7.5 percent per annum.

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>2018</u>	<u>2017</u>
Short-term employee benefits	30,623	28,652
Post-employment benefits	1,035	1,269
Total	<u>31,658</u>	<u>29,921</u>

8. Cash and cash equivalents

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Cash	150	150
Bank deposits	87,790	258,987
Total	<u>87,940</u>	<u>259,137</u>

As at 31 December 2018, bank deposits in saving accounts carried interests between 0.10% and 0.375% per annum (2017: between 0.10% and 0.375% per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	10,808	19,480
Past due		
Up to 3 months	18,329	10,585
3 - 12 months	3,028	5,604
Over 12 months	12,697	12,697
Total trade receivables - related parties	<u>44,862</u>	<u>48,366</u>



(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	358,005	313,419
Past due		
Up to 3 months	135,706	174,906
3 - 12 months	96,481	105,958
Over 12 months	14,229	3,053
Total trade receivables - unrelated parties	604,421	597,336
Total trade receivable	649,283	645,702
Less: Allowance for doubtful accounts	(18,920)	(13,445)
Total trade receivables - net	630,363	632,257

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
<u>Other receivables</u>		
Other receivables - related parties	35,522	49,912
Other receivables - unrelated parties	1,157	28,774
Other receivables from selling equipment	5,010	8,543
Revenue department receivable	6,014	4,748
Total	47,703	92,007
Less: Allowance for doubtful accounts	(4)	(193)
Total other receivables - net	47,699	91,814
Total trade and other receivables - net	678,062	724,071

10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods						
(included trading goods)	346,381	376,053	(32,608)	(46,146)	313,773	329,907
Work in process	37,271	26,623	(6,317)	(6,358)	30,954	20,265
Raw materials	82,031	73,901	(14,440)	(16,072)	67,591	57,829
Packaging materials						
and supplies	24,593	23,885	(2,306)	(2,161)	22,287	21,724
Total	490,276	500,462	(55,671)	(70,737)	434,605	429,725

During the current year, the Company reduced cost of inventories by Baht 18 million (2017: Baht 34 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 33 million (2017: Baht 17 million), and reduced the amount of inventories recognised as expenses during the year.

11. Investments in joint ventures

11.1 Details of joint ventures

Safe Energy Holdings Company Limited

During the year 2017, 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
			556

Safe Energy Holdings Company Limited has assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date of Prize of Wood Green Energy Co., Ltd., Bina Puri Power (Thailand) Co., Ltd. and SAFE Biomass Co., Ltd.. The assessment process has been completed in the second quarter of 2018 within the period of twelve months from the acquisition date as allowed by Thai Financial Reporting Standard 3 (revised 2017) Business Combinations. During this measurement period, the Company obtained further information on the fair value of part of the assets and liabilities. Therefore, the Company



has restated the financial statements in which the equity method is applied, as presented herein for comparative purposes, to reflect the provisional amount recognised at the acquisition date.

ALP FPI PARTS PRIVATE LIMITED

On 28 August 2018, the Annual General Meeting of the shareholders of ALP FPI PARTS PRIVATE LIMITED passed a resolution increasing its registered share capital from INR 320 million to INR 420 million by issuing convertible preferred shares, with the Company's shareholding structure remaining unchanged. Each preferred share is convertible to ordinary shares in a ratio of 1:1. The Company already made share payments amounting to INR 45 million (or equivalent Baht 21.8 million).

11.2 Details of investments in joint ventures

(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	
			2018 (%)	2017 (%)	2018	2017 (Restated)	2018	2017
Safe Energy Holdings Co., Ltd.	Invest in the biomass power plant business	Thailand	33.37	33.37	213,169	154,612	193,876	142,153
ALP FPI PARTS PRIVATE LIMITED	Manufacture and distribution of the automotive replacement parts	India	45.00	45.00	74,298	74,527	98,983	77,158
FORTUNE-PARTS INDUSTRY ECUADOR CIA LTDA	Manufacture and distribution of the automotive replacement parts	Ecuador	45.00	45.00	6,691	6,527	7,317	7,317
Total					294,158	235,666	300,176	226,628

11.3 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in the joint ventures in the financial statements in which the equity method as follows and dividend income in the separate financial statements as follows:

Joint ventures	The financial statements in which the equity method				(Unit: Thousand Baht) Separate financial statements	
	Share of profit/loss from investments in joint ventures during the year		Share of other comprehensive income from investments in joint ventures during the year		Dividend received during the year	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)				
Safe Energy Holdings Co., Ltd.	6,834	12,459	-	-	-	-
ALP FPI PARTS PRIVATE LIMITED	(10,434)	(1,732)	(11,620)	-	-	-
FORTUNE-PARTS INDUSTRY ECUADOR CIA LTDA	71	93	92	-	-	-
Total	(3,529)	10,820	(11,528)	-	-	-

11.4 Summarised financial information about material joint ventures

Summarised information about financial position

	Safe Energy Holdings Co., Ltd.		(Unit: Million Baht) ALP FPI PARTS PRIVATE LIMITED	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)		
Current assets	203	171	64	90
Non-current assets	829	843	269	231
Current liabilities	(183)	(335)	(69)	(96)
Non-current liabilities	(183)	(183)	(99)	(60)
Net assets	666	496	165	165
<u>Less</u> non-controlling interests	(27)	(32)	-	-
	639	464	165	165
Shareholding percentage (%)	33.37	33.37	45.00	45.00
Carrying amounts of joint ventures based on equity method	213	155	74	74



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>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Revenue	224	105	101	35
Depreciation and amortization	(44)	(13)	(9)	(2)
Interest income	-	-	-	1
Interest expense	(10)	(6)	(11)	-
Income tax expense	3	2	3	-
Others	(153)	(51)	(107)	(38)
Profit (loss)	20	37	(23)	(4)
Other comprehensive income	-	-	-	-
Total comprehensive income	20	37	(23)	(4)

12. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Land improvement	Factory and office buildings	Machinery and equipment	Moulds and printing blocks	Fixtures and office equipment	Motor vehicles	Construction in progress	Total
Cost									
1 January 2017	89,482	15,864	418,861	644,302	1,651,794	59,835	29,333	73,718	2,983,189
Additions	22,940	-	-	20,888	111,230	2,234	3,557	45,637	206,486
Disposals/write-off	-	-	-	(7,874)	(41,983)	(1,686)	(1,854)	-	(53,398)
Transfer in/(transfer out)	-	-	311	50,741	21,202	-	-	(72,254)	(53,397)
31 December 2017	112,422	15,864	419,172	708,057	1,742,243	60,383	31,036	47,101	3,136,278
Additions	12,705	-	1	19,067	130,224	1,166	1,530	48,424	213,117
Disposals/write-off	-	-	-	(2,303)	(15,867)	(100)	-	-	(18,270)
Transfer in/ (transfer out)	-	-	16,320	35,109	15,585	-	-	(67,014)	-
31 December 2018	125,127	15,864	435,493	759,930	1,872,185	61,449	32,566	28,511	3,331,125
Accumulated depreciation									
1 January 2017	-	(10,058)	(110,518)	(470,657)	(1,263,796)	(37,252)	(22,751)	-	(1,915,032)
Depreciation for the year	-	(793)	(20,851)	(65,622)	(111,732)	(7,648)	(2,816)	-	(209,462)
Depreciation on disposals/ write-off	-	-	-	1,703	3,942	1,686	1,506	-	8,837
31 December 2017	-	(10,851)	(131,369)	(534,576)	(1,371,586)	(43,214)	(24,061)	-	(2,115,657)
Depreciation for the year	-	(793)	(21,603)	(59,840)	(121,891)	(6,919)	(2,525)	-	(213,571)
Depreciation on disposals/ write-off	-	-	-	145	612	91	-	-	848
31 December 2018	-	(11,644)	(152,972)	(594,271)	(1,492,865)	(50,042)	(26,586)	-	(2,328,380)
Net book value									
31 December 2017	112,422	5,013	287,803	173,481	370,657	17,169	6,975	47,101	1,020,621
31 December 2018	125,127	4,220	282,521	165,659	379,320	11,407	5,980	28,511	1,002,745

Depreciation for the year

2017 (Baht 199 million included in cost of sales and cost of services, and the balance in administrative expenses)	209,462
2018 (Baht 203 million included in cost of sales and cost of services, and the balance in administrative expenses)	213,571

As at 31 December 2018, 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 1,609 million (2017: Baht 1,420 million).

The Company has mortgaged certain property, plant and equipment amounting to approximately Baht 101 million (2017: Baht 110 million) as collateral against credit facilities received from financial institutions, as discussed in Note 13 and Note 15.



13. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	2018	2017
Short-term loans - bill of exchange	2.55 to 2.90	-	239,457
Short-term loans - letters of credit	MMR	227,945	60,960
Short-term loans - packing credit	2.10 to 2.15	150,169	650,504
Short-term loans - trust receipts	2.33	-	27,920
Total		378,114	978,841

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)

	2018	2017
Trade payables - related parties	11,475	20,301
Trade payables - unrelated parties	184,974	182,268
Other payables - related parties	8,498	8,536
Other payables - unrelated parties	29,905	27,909
Other payables for purchase of equipment	3,669	12,467
Accrued expenses	35,950	34,067
Total trade and other payables	274,471	285,548

15. Long-term loans

(Unit: Thousand Baht)

	Interest rate (% per annum)	Repayment schedule	2018	2017
Facility 1	LIBOR + 1.50	Monthly installments of principal and interest amounting to not less than USD 278,150 each (2017: USD 270,614 each)	178,172	158,504
Less: Current portion			(93,999)	(88,465)
Long-term loans, net of current portion			84,173	70,039

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 2017	3,595
Increase during the year	1,181
Utilised	(1,187)
31 December 2017	3,589
Increase during the year	825
Utilised	(2,368)
31 December 2018	2,046

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)

	<u>2018</u>	<u>2017</u>
Provision for long-term employee benefits		
at beginning of year	13,848	10,485
Included in profit or loss		
Current service cost	3,020	2,387
Interest cost	346	303
Included in other comprehensive income		
Actuarial (gain) loss arising from		
Demographic assumption changes	-	507
Financial assumption changes	-	678
Experience adjustments	-	(512)
Provision for long-term employee benefits at end of year	17,214	13,848



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

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Cost of sales and cost of services	1,810	1,401
Administrative expenses	1,556	1,289
Total expenses recognised in profit or loss	3,366	2,690

For the years 2018 and 2017, the Company does not expect to pay long-term employee benefits during the next year.

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 9.69 years (2017: 10.69 years).

Significant actuarial assumptions are summarised below.

(Unit: % per annum)

	<u>2018</u>	<u>2017</u>
Discount rate	2.50	2.50
Salary increase rate	5.50	5.50
Turnover rate	0 - 39	0 - 39

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			
	<u>2018</u>		<u>2017</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1,995)	2,287	(1,302)	1,497
Salary increase rate	2,427	(2,151)	1,437	(1,279)
Turnover rate	(2,229)	1,543	(1,458)	1,040

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company have additional liabilities for long-term employee benefits of Baht 5 million. The Company will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

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

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
FPI-W1					
31 March 2018	21,689	21,689	2	9 April 2018	11 April 2018
8 June 2018	154,935	154,935	2	13 June 2018	18 June 2018
Total exercise in 2018	<u>176,624</u>	<u>176,624</u>			

A reconciliation of the number of warrants is provided below.

	(Unit: Thousand Units)
Number of warrants as at 1 January 2017	295,120
Exercised during the year	<u>(116,888)</u>
Number of warrants as at 31 December 2017	178,232
Exercised during the year	<u>(176,624)</u>
Number of warrants as at 31 December 2018	<u>(1,608)</u>
	<u>-</u>

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 2017	1,218,564	304,641	229,764
Increase in capital from warrant exercise	<u>49,453</u>	<u>12,363</u>	<u>86,543</u>
Balance as at 31 December 2017	1,268,017	317,004	316,307
Increase in capital from warrant exercise	<u>245,013</u>	<u>61,253</u>	<u>428,772</u>
Balance as at 31 December 2018	<u>1,513,030</u>	<u>378,257</u>	<u>745,079</u>

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>2018</u>	<u>2017</u>
Cost of trading goods	576,246	590,962
Raw materials and consumables used	554,357	524,836
Salaries, wages and other employee benefits	235,701	221,514
Depreciation and amortisation	214,108	210,260
Freight charges	85,745	106,515
Changes in work in process	(10,648)	1,044

21. Income tax

Income tax expenses are made up as follows:

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Current income tax		
Current income tax charge	19,774	35,796
Deferred tax		
Relating to origination and reversal of temporary differences	115	(4,158)
Income tax expenses reported in the income statements	<u>19,889</u>	<u>31,638</u>



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

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Deferred tax on actuarial loss	-	135
	<u>-</u>	<u>135</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	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Accounting profit before tax	<u>145,439</u>	<u>232,759</u>	<u>148,968</u>	<u>221,427</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	29,088	46,552	29,794	44,285
Effect of				
Share of loss (profit) from investments in associates and joint ventures	706	(2,267)	-	-
Non-deductible expenses	1,949	(1,852)	1,949	(1,852)
Additional expense deductions allowed	(11,584)	(10,795)	(11,584)	(10,795)
Total	<u>(9,199)</u>	<u>(15,536)</u>	<u>(9,905)</u>	<u>(12,647)</u>
Income tax expenses reported in the income statements	<u>19,889</u>	<u>31,638</u>	<u>19,889</u>	<u>31,638</u>

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

(Unit: Thousand Baht)

Statements of financial position		
as at 31 December		
	<u>2018</u>	<u>2017</u>
Deferred tax assets		
Allowance for diminution of inventories	11,134	14,147
Provision for long-term employee benefits	3,443	2,770
Provision for product warranty	409	718
Allowance for doubtful accounts	91	91
Accumulated amortisation - computer software	-	3
Total	15,077	17,729
Deferred tax liabilities		
Deferred revenue from customs duty	8,095	10,722
Adjustment from revaluation according to forward exchange contracts	300	210
Total	8,395	10,932
Net	6,682	6,797

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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Thousand Baht)	(Thousand Baht) (Restated)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the year	125,550	201,121	1,436,518	1,241,362	0.09	0.16
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	159,906		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	125,550	201,121	1,436,518	1,401,268	0.09	0.15

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the year	129,080	189,789	1,436,518	1,241,362	0.09	0.15
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	159,906		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	129,080	189,789	1,436,518	1,401,268	0.09	0.14

23. Dividend paid

Dividends	Approved by	Number of shares (Thousand shares)	Total dividends (Thousand Baht)	Dividend per share (Baht)
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 10 August 2017	1,250,977	75,059	0.06
Total dividends for the year 2017			197,010	0.16
Dividends for 2017	Annual General Meeting of the shareholders on 25 April 2018	1,336,406	53,456	0.04
Interim dividends on operating results for the six-month period ended 30 June 2018	Board of Directors' Meeting on 14 August 2018	1,513,030	60,521	0.04
Total dividends for the year 2018			113,977	0.08

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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
								(Restated)
Revenues	293,536	252,455	1,645,589	1,724,640	1,098	2,069	1,940,223	1,979,164
Segment income	50,124	38,158	332,354	398,391	300	890	382,778	437,439
Other income							26,855	42,763
Selling expenses							(100,577)	(124,398)
Administrative expenses							(133,401)	(103,072)
Share of profit (loss) from investments in associates and joint ventures which recorded by equity method							(3,529)	10,823
Finance cost							(26,687)	(30,796)
Income tax expenses							(19,889)	(31,638)
Profit for the year							125,550	201,121

Geographic information

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

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Revenue from external customers		
Thailand	294,634	254,524
Saudi Arabia	365,385	463,916
Others	1,280,204	1,260,724
Total	1,940,223	1,979,164

Major customers

For the years 2018 and 2017, 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 2018 amounting to approximately Baht 2 million (2017: Baht 2 million) were recognised as expenses.

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2018, the Company had capital commitments of approximately Baht 20 million (2017: Baht 19 million), relating to the construction of factory and office buildings and the acquisition of equipment.

26.2 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 6 million (2017: 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, trade and other receivables, short-term loans, trade and other payables 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 2018					
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	88	-	88	0.10 - 0.375
Trade and other receivables	16	-	662	678	7.50
Total	16	88	662	766	
Financial liabilities					
Short-term loans from financial institutions	150	228	-	378	2.10 - 2.15 and MMR
Trade and other payables	-	-	274	274	-
Long-term loans	-	178	-	178	LIBOR + 1.5
Total	150	406	274	830	

(Unit: Million Baht)

	As at 31 December 2017				
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
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 and MMR
Trade and other payables	-	-	286	286	-
Long-term loans	-	159	-	159	LIBOR/SIBOR + 1.5
Total	918	220	286	1,424	

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 2018			
Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	18	6	32.40

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	32.64

Forward exchange contracts outstanding are summarised below.

As at 31 December 2018			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3	32.57 - 32.98	January - March 2019

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

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 2018, the financial statements in which the equity method is applied's debt-to-equity ratio was 0.52:1 (2017: 1.11:1) and the Company's debt-to-equity ratio was 0.52:1 (2017: 1.12:1).

29. Event after the reporting period

- 29.1 On 6 February 2019, the Board of Directors of the Company approved a share repurchase program for financial management propose with a budget of up to Baht 150 million, to repurchase no more than 40 million shares (par value of Baht 0.25 each), which accounts for not more than 2.64 percent of the total number of shares in issue. The shares are to be repurchased on the Stock Exchange of Thailand from 22 February 2019 to 21 August 2019. The share resale period is determined after 6 months from the completion date of share repurchase but no later than 3 years.
- 29.2 On 21 February 2019, the Board of Directors of the Company passed the resolution to pay a dividend of Baht 0.04 per share for the year 2018 (July 2018 – December 2018), totaling Baht 60.5 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 21 February 2019.



Audit Fee

and Other Service Fee

1. Audit Fee

The company paid the audit fee to EY Office Limited, which is the auditor of Company amounting to Baht 2,120,000 in 2018.

Audit Fee		Baht
Audit fee of the Company	2,120,000	Baht
Amount		2,120,000 Baht

2. Other Service Fee

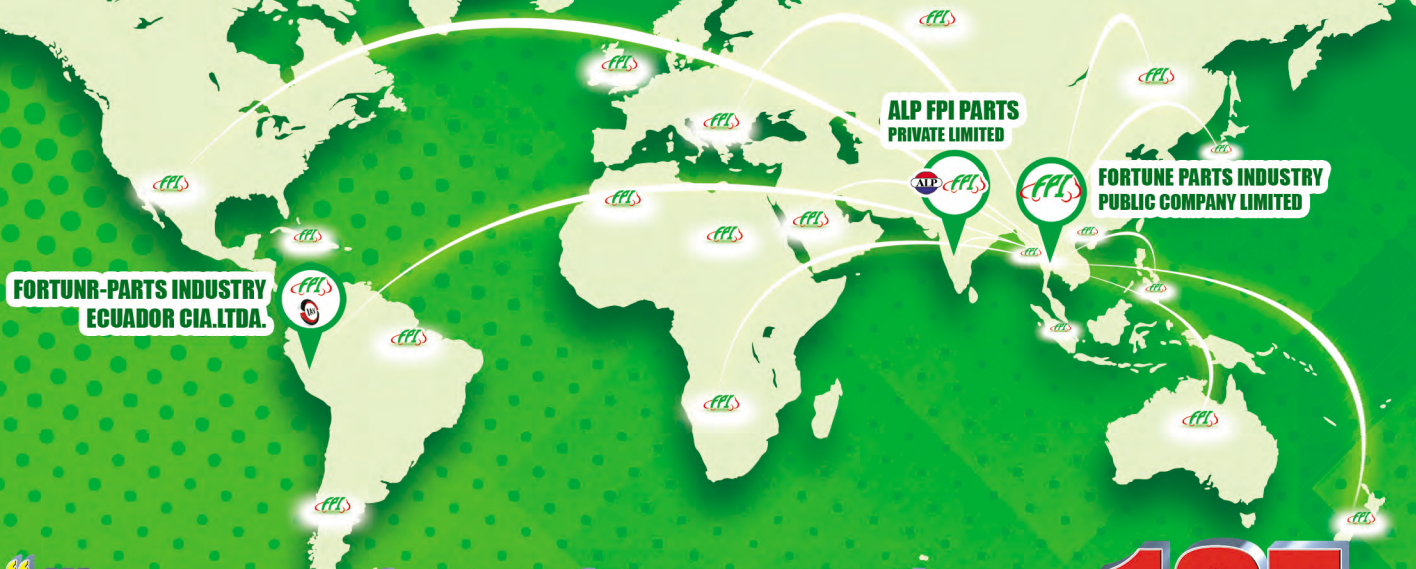
The Company paid other service fees including accounting, finance and tax services to:

- EY Office Limited, the auditor, which are travelling and photocopies expenses in 2017, accounted for Baht 155,839.43



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FORTUNE PARTS INDUSTRY PUBLIC COMPANY LIMITED

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