



2019

ANNUAL REPORT รายงานประจำปี 2562



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

www.fpiautoparts.com

"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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General Information



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.

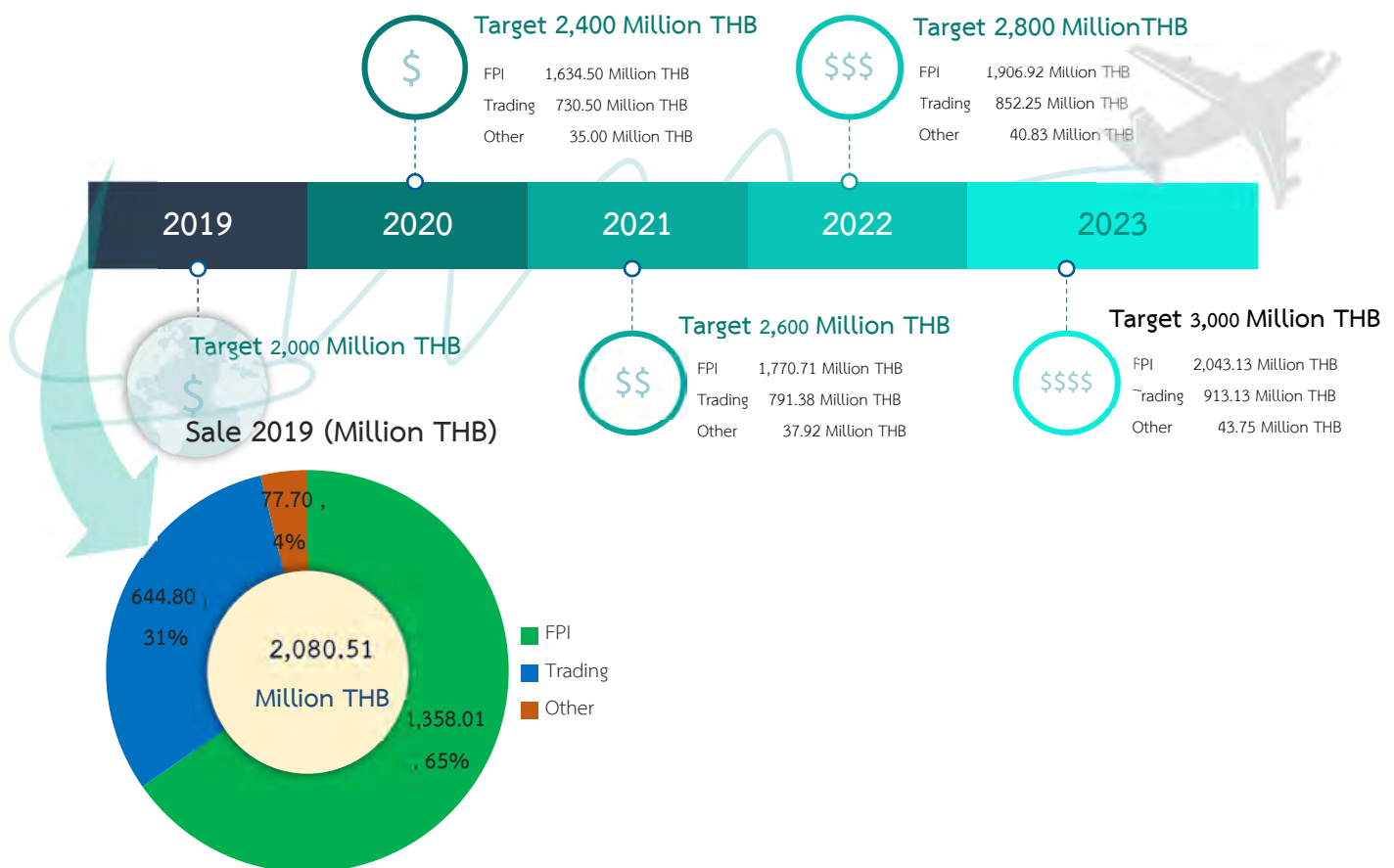
Alliance

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



Objectives and Goals

Fortune Parts Industry Public Company Limited perceives the importance of creating value added to the business and decreasing the impact to the environment following the objective of the company to build Eco Operation Excellence. The company aims to promote the standard of Thailand's automotive parts industry that is environmental friendly and low carbon business, as well as taking care of the community, society and environment that businesses have the possibility to create both direct and indirect impacts.



Business Goals

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 138 countries around the world, with reputation and trusted in company's products and services from business partners of more than 800,000 products.



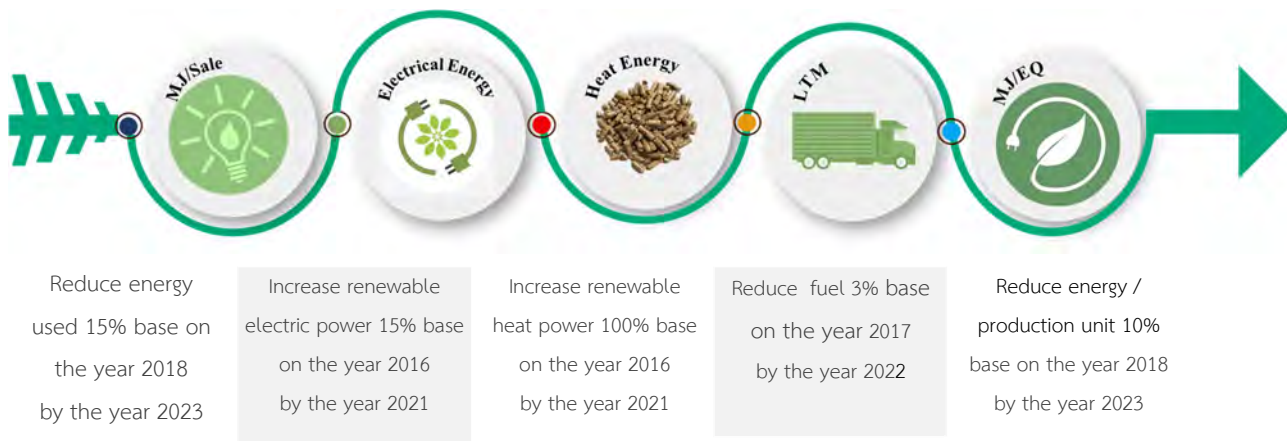
Environment Goals

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 and collaborate in solving the failure of climate change which is currently ranked as top five world's risk in 2019. From this perspective, the company set up policy, strategy, plans, and standards to reduce the impact. The goals of the company for environment has set by including the use of resources in the production process, raw material (plastic beans), the releasing of greenhouse gas and reduce waste to limit and reduce the impact of production process to respond to the global average temperature control of no more than 2 degrees Celsius increase and consistent with 17 sustainable development goals.



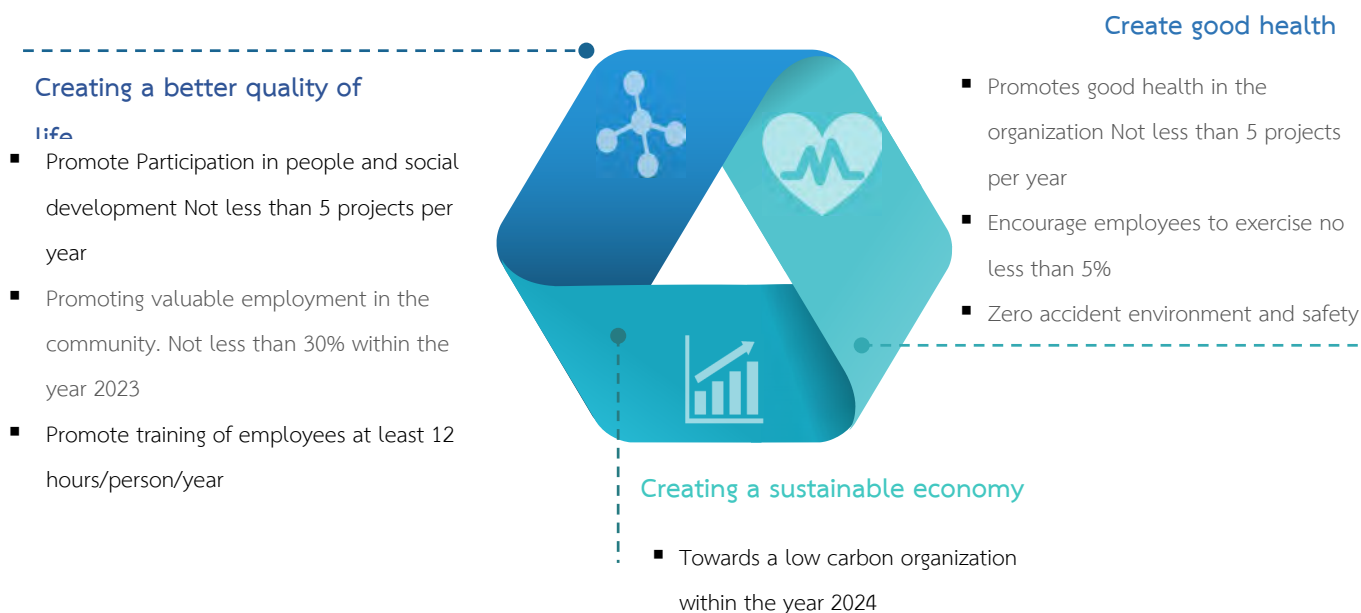
Energy Goals

The company operates its business on the basis of responsibility for sustainable energy management, while also aware to prevent future energy shortages and their impact on environmental issues, including global warming, air pollution and acid rain by increasing energy efficiency and energy conservation from lighting systems, steam generation, cooling, transportation or machinery in the production process. Moreover, the company also aims to reduce wasteful energy consumption in the form of fossil energy from oil, coal and natural gas by increasing the proportion of renewable energy from chopped wood, rice husk, sawdust and renewable sunlight instead of fossil energy.



Society Goals

The company operates on the basis of social responsibility to improve quality of life, health and economy of the community by supporting the employment of local workers, promoting the belief and practices toward human rights, promoting the employment for disadvantage and disable workers, building an opportunity in education and career for students' employment in the future, and reducing the risk in the workplace by building good health for the society, developing safety, occupational health and working environment to meet international standards which is to build sustainable economic growth and valuable employment.



Sustainable Development Strategies

The company perceives an importance of good corporate governance in the organization and the promotion of social awareness by developing products and services that are good for health and safe for consumers. The company also create valuable work to enhance the quality of life of people in society by promoting education and sharing work opportunities for people in the community, social underprivileged to have a stable career in acquiring income to support the quality of family life. Furthermore, taking into account the use of natural resources with value in managing the business to achieve the organization's objectives of achieving Eco Operation Excellence, the company has consistently established a sustainable development strategy as a framework for operations and monitoring. The strategic details are as follows:



CORE VALUE

The company has developed the core values to use as a tool for management and development of the company to respond to the rapid change in reducing the risk of business operation and creating new business opportunities in the development of business innovations that are environmentally friendly. "Shared Values", the organization is used as a guideline for employees at all levels to adhere to instill the values of behavior that the organization expects, creating employee engagement with the organization and the desire to be a member of the organization are all important factors that contribute to the sustainability of the organization.

T A L E N T S for Sustainable Innovation

Teamwork

Leadership

Noble

Synergy

T A L E N T S

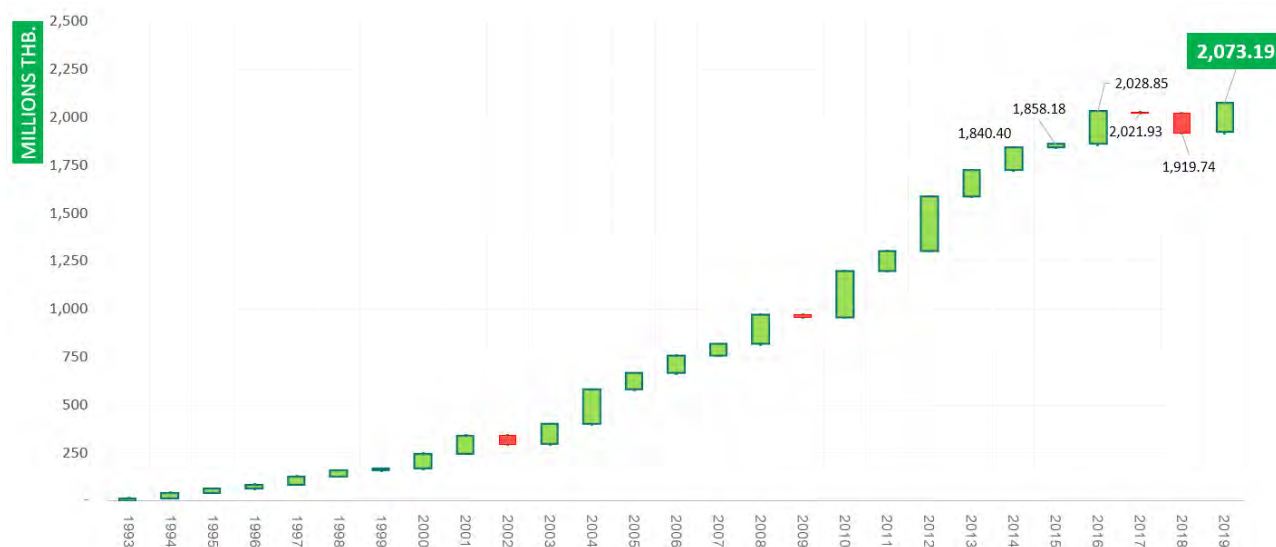
Autonomous

Environment

Transformation

Financial Highlights

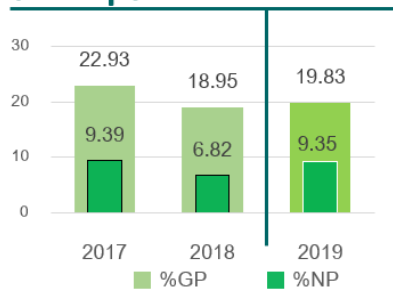
Total Revenues from 1993 to 2019 (Unit: Million Baht)



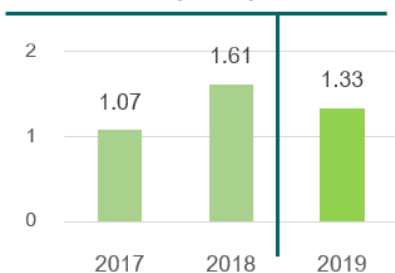
Statement of Financial Position (Unit: Million Baht)	2017	2018	2019
Total Assets	2,783.15	2,559.49	2,780.38
Cash and cash equivalents	259.14	87.94	184.89
Trade and other receivables	724.07	678.06	733.68
Inventories	429.72	434.61	406.87
Other current assets	62.70	47.74	34.85
Property, plant and equipment	1,020.62	1,002.74	1,079.58
Other non-current assets	286.90	308.40	340.51
Total Liabilities	1,467.98	875.97	1,142.51
Non-current liabilities	1,384.09	774.58	1,025.31
Current liabilities	83.89	101.39	117.20
Shareholders' equity	1,315.17	1,683.52	1,637.87

Financial Ratio	2017	2018	2019
Current ratio (times)	1.07	1.61	1.33
Gross profit ratio (%)	22.93	18.95	19.83
EBIT margin (%)	12.47	9.15	12.02
EBITDA margin (%)	12.47	20.27	22.18
Net profit margin (%)	9.39	6.82	9.35
Return on Assets (%)	7.28	4.83	7.19
Return on Equity (%)	15.79	8.61	11.57
Debt to Equity ratio (times)	1.12	0.52	0.70

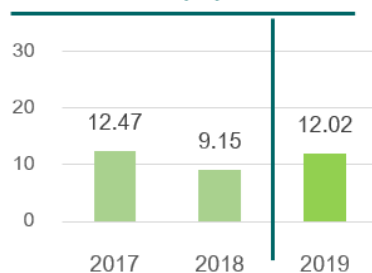
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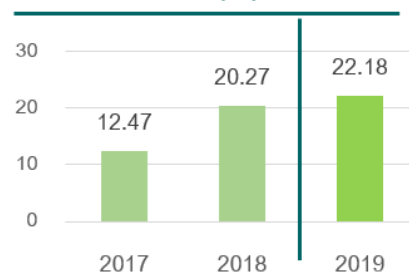
Current ratio (times)



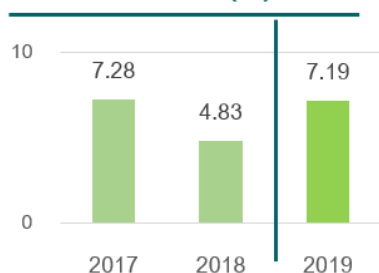
EBIT MARGIN (%)



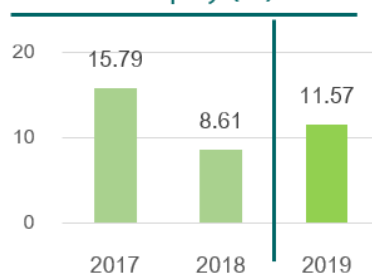
EBITDA MARGIN (%)



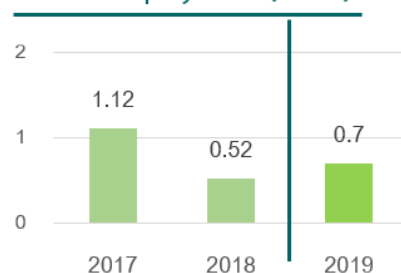
Return on Assets (%)



Return on Equity (%)



Debt to Equity ratio (times)



Dividend Payment

Year	1st Half	2nd Half	Full Year	Earning Per Shares (Baht/Share)	Dividend payout ratio (%)
2019	0.05	0.095	0.145	0.13	72.85
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



Awards and Recognitions

1

The Prime Minister's Industry Award 2019

Category: Industry Potential by the Ministry of Industry



Sustainability Disclosure Awards 2019

Following international standard of GRI Standards from Thaipat Institute

2



3

SET Outstanding Sustainability Awards 2019

Category: Company listed on the mai stock market, Industrial product groups





Highly Recommended in Sustainability Excellence

SET Awards 2019

4



5

Green Office 2019

Ministry of Natural Resources and Environment,
Department of Environmental Quality Promotion.

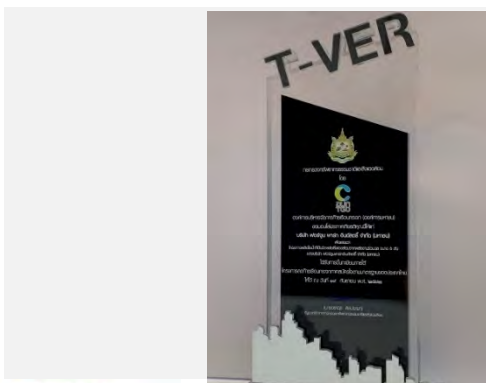


T-VER Award in the heart of the heart to reduce global warming 2019



TGO and Department of Environmental Quality Promotion

6



Fortune Parts Industry Public Company Limited

Awards and Recognitions

7

ESG 100 : 2019

From Thaipat Institute



 									
100 อันดับหลักทรัพย์ที่มีความโดดเด่นในการดำเนินธุรกิจอย่างยั่งยืน (ESG100)									
ADVANC	AH	AOT	B-WORK	BAFS	BAY	BCH	BCPG	BDMS	BEM
BGC	BGRIM	BH	BJC	BTS	BWG	CENTEL	CK	COM7	CPALL
CPF	CPN	CPNOG	DELTA	DRT	EGATIF	EGCO	ERW	FPI	FTREIT
GPSC	GULF	GVREIT	HMPRO	HTC	INTUCH	IRC	IVL	JASIF	KBANK
KKP	KTB	KTC	LH	LHFG	LHK	LHSC	LPN	M	MBAX
MBK	MEGA	MINT	MOONG	NER	NSI	NTV	NYT	ORI	OSP
PB	POPF	PPS	PSH	PTT	QH	S&J	SAT	SCB	SCC
SCP	SEAFCO	SIS	SMIT	SNC	SPA	SPALI	SPI	STANLY	SUC
SYNEX	TCAP	THANI	TISCO	TKS	TMB	TMD	TMILL	TMT	TOG
TPCH	TSC	TTW	TVO	TWPC	VGI	VNT	WHART	WINNER	XO



Won 1st Prize

Listed company "mai" and individual level

mai Virtual Run for The Thai Red Cross Society by mai Stock Exchange of Thailand

8



9

Eco Label- Carbon Footprint

From operations that the company can reduce greenhouse gas emissions which is the CFO label and compensate zero greenhouse gas emissions from open events "FPI Green Scenery" from TGO.



Major Events and Activities in 2019

➤ 16 September 2019

The Prime Minister's Industry Award 2019

Category: Industry Potential by the Ministry of Industry



01

➤ 27 November 2019

Highly Recommended in Sustainability Excellence

SET Awards 2019



02

03



➤ 11 December 2019 Sustainability Disclosure Awards 2019

Following international standard of GRI Standards from
Thaipat Institute

➤ 1 May 2019

mai Virtual Run for The Thai Red Cross Society
by mai Stock Exchange of Thailand



04

05

06



➤ 13 July 2019 participate in
mai FORUM 2019 | 20 year mai
Grow together Innovate Sustainability

➤ 9 May 2019 Participate in the activity of Taking
up the position “**President of the Association
of Automotive Parts Manufacturers**”

➤ 2 December 2019

TRBN : Thailand Responsible Business Network
With Thai listed companies and Private companies
in Thailand



07



➤ 27 November 2019

SET Outstanding Sustainability Awards 2019
Category: Company listed on the mai stock market, Industrial
product groups



08



09

➤ 22 April 2019

Annual Shareholders' Meeting 2019

at the Emerald hotel, Panorama 1 Room, 14th floor, 99/1 Ratchadapisek Road,
Din Daeng, Bangkok 10400





Message from Chairman of

Executive Committee and Managing Director



We have passed various challenges that have changed rapidly in economic, society and environment. We are now entered

into the 28th year of business operations. In 2019, the company operated business based on good corporate governance, transparency, and verifiable to build confidence among all group of stakeholders in driving the corporate strategy to meet the United Nation's objective of sustainability development. This lead to the balance between sustainable economic growth and environmental preservation and social development. In the prior year, the revenue of the company is Baht 2,081.51 million which increased from 2018 by 5.77%. The increase is from the trust the company receives from Toyota, IZUZU, Mazda, Nissan, Suzuki, and Mitsubishi. Also, the company continuously develops new technology to use in the production process to ensure that the products have high quality and environmental friendly according to international standards. What is more, in the previous year, Thai Baht was appreciated. Therefore, this is the opportunity for the company to purchase automotive parts

manufacturing business in India where it is the 5th country in the world in producing automotive with the volume of 4.52 million cars in 2019.

The company strives to create Eco Operation Excellence by maximizing the value of products from the use of resources or raw materials. The company also supports the use of renewable resources or reduce the releasing of pollution to the environment in order to respond to the climate change and support to reduce greenhouse gas following the nationally determined contribution. This is to achieve the objective of controlling temperature not increase by more than 1.5 Degree Celsius as the Science-Based target Initiative on March 2019. Furthermore, the company has adopted the principles of corporate governance to use as a guideline for good management. This is to promote business operation that respect human rights by take care of the employees to live with dignity, safety at work, appropriate standard of living, equal opportunity, and fair treatment. The company views the importance of human resource development and knowledge management in science, technology and innovation based on production and consumption that are environmental friendly as well as building an environment that encourage the creation of innovation and technology on a regular basis. The company has been certified by the CAC Council in which the company is a coalition of Thai private sector in Anti-Corruption.

The result of our commitment to achieve the goals of the world's sustainable development and disclose the sustainability report regarding the international standard that is certified by GRI standards. The company has won Sustainability Disclosure Awards in category Acknowledgement from Thaipat Institute in 2019. Moreover, the company was selected by The Stock



Exchange of Thailand to have listed on the Thailand Sustainability Investment for 3 consecutive years. The company also won Sustainability Excellence: Highly recommended in Sustainability Awards, Best Industry Award: Potential Industry, which is an award that gives to an industry that has driven business with innovation and technology with potential and sustainability, Green Office: G Silver, Award for Development of Voluntary Greenhouse Gas Reduction Project in accordance with Thailand Standard (T-VER), Carbon Neutral Event Award, and participate in the activity with mai in maiA Virtual Run for Thai Red Cross Society to raise the level of creating health and good quality of life for society both inside and outside the organization by receiving the 1st prize at the listed company mai group and the 1st prize in the personal level.

Finally, on the behalf of the Board of Director, the company would like to thank you shareholders, stakeholders, all employees, and management. The Board of Directors of the company will adhere to conduct the business under ethical and good corporate governance principles to create benefit to the society and lead the organization forward to grow steadily and sustainably.



Mr.Sompol Tanadumrongsak
Chairman of the Executive Committee





General Company Information

General Company Information



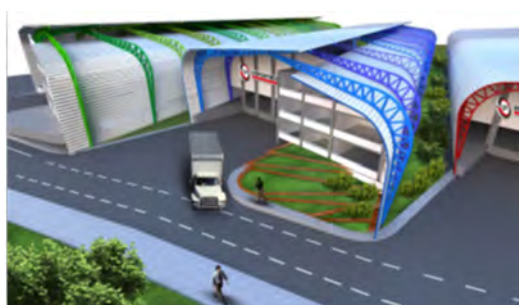
Company Name	: Fortune Parts Industry Public Company Limited
SET Symbol	: FPI
Registration No.	: 0107547000508 Head Office
Business Type	: Designing & producing automotive parts, designing product and produce mold for plastic parts, provide injection, chrome plating, painting and assembly services for 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
Fax	: 0-2993-0602
Web Site	: www.fpiautoparts.com
Registered Capital	: Baht 378,257,483.50 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. Sarayuht Ouybuan Telephone :0-2993-4970-77 ext. 108 e-mail : sect@fpi.co.th , sarayuht@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. Phimon Lertsabanant Telephone 0-2993-4970-77 ext. 112 e-mail: ir@fpi.co.th



Information of Joint Venture and Associate Companies

Joint Venture Companies

Company Name	:	FORTUNR-PARTS INDUSTRY ECUADOR CIA.LTDA.
Business Type	:	Designing, 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 520,000,000



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



Others Reference



Registrar	Thailand Securities Depository Co., Ltd.
Address	93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Telephone	0-2009-9000
Facimile	0-2009-9991
Website	www.set.or.th



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

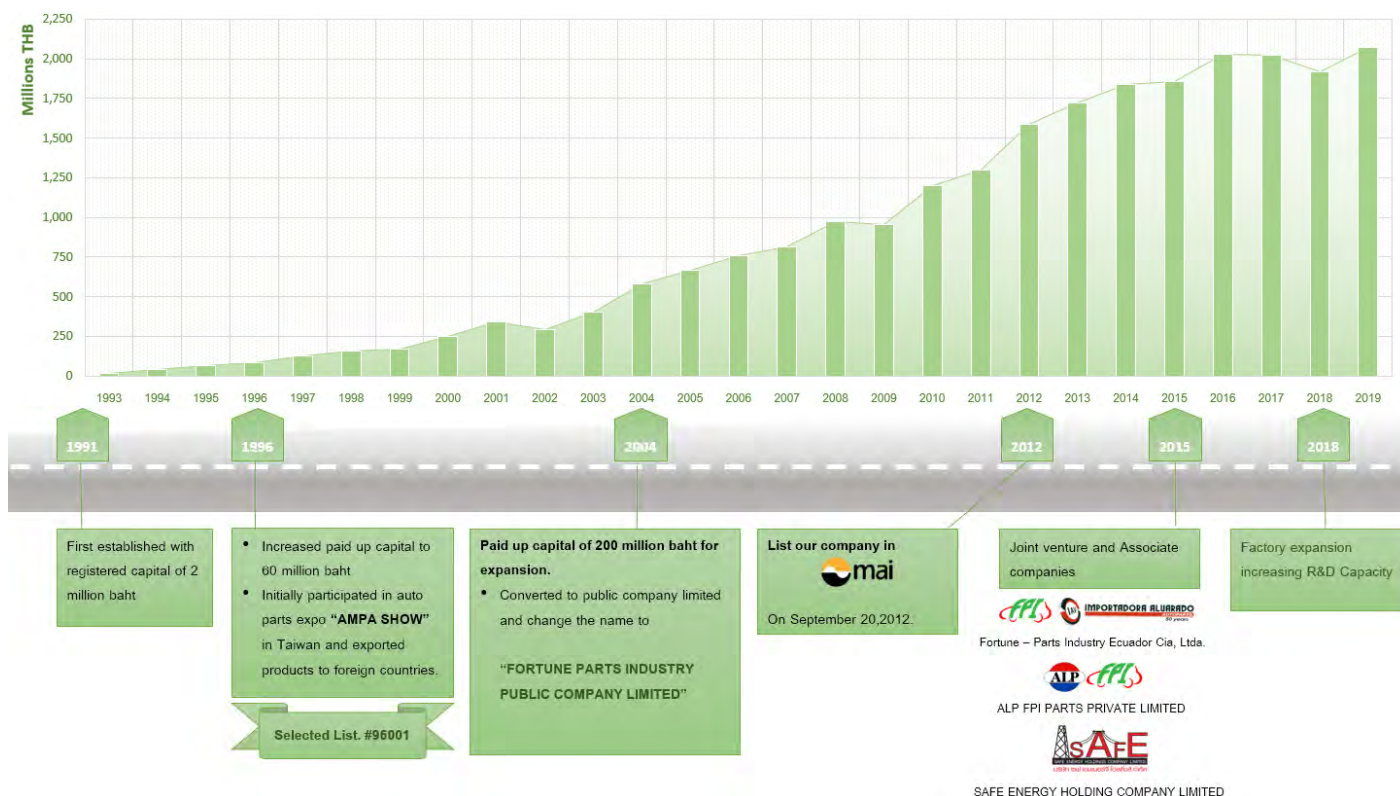


Legal Advisor	Dej-Udom & Associates Ltd.
Address	942/142-3 Chan Issara Tower I, 9/FL., Rama IV Road, Bangkok 10500
Telephone	0-2233-0055, 0-2233-0068
Facimile	0-2236-6681
Website	www.dejudomlaw.com



Company Background

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



Year

Milestones

1991

- 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

- 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

- 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.



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 square 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.

- 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.

2011

- 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



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

2015

- 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 Buriram province 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.

2017

- 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 (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.

2018

- 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)

2019

- Invested in injection machine one 1750 ton and two 1600 ton for replacement of old machines that have damaged and to increase production capacity in the bumper group by 25%



Business Structure of FPI Group

Fortune Parts Industry Public Company Limited

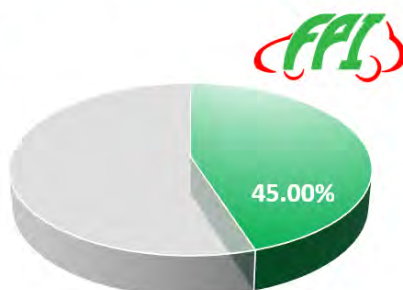
Joint venture Company

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

Fortune-Parts Industry Ecuador
CIA,LTDA.



ALP FPI PARTS PRIVATE LIMITED



Safe Energy Holdings
Company Limited



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)

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
11. Ms. Parichatara Laotheerasirivong Independent Director, Director of Audit Committee	





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)



3. Mr. Kiattisak Chairuamkul Executive Director Director of Risk Management Committee Anti-Corruption Group Chief Operating Officer	4. Mr. Phimon Lertsabanant 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 Sripha 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: 90 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	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 – Present	Director	SCG (Thailand) Co., Ltd.
1988 – Present	Director	SCG Industry 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	Siam City Group Development Co., Ltd.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2019): 86,768,000 shares (5.73%)

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: -





2. Mr. Sangcharean Tanadumrongsak

Age: 64 years old

Vice Chairman (Authorized Signature)

Date of Appointment: 26 November 1991

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

Training Program

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

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 2019): 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: -





3. Mr. Sompol Tanadumrongsak

Age: 54 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 November 1991

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 |

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.
Director	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	President	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 2019):

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: -



4. Mr. Yanyongchai Tanadumrongsak

Age: 59 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 2019):

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





5. Mr. Somkit Tanadumrongsak

Age: 57 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.
Director	Kmart Service 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.
2007– Present	Director	Kmart Service Co., Ltd.
2011 – Present	Director	S.C.G Hathairat Co., Ltd.

Percentage of the company’s shareholding (Ordinary shares) (as at 31 December 2019):

95,460,000 shares (6.31%)

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: -





6. Mrs. Nussara Tanadumrongsak

Age: 51 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

Education:

- 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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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): 778,500 shares (0.05%)

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

Illegal record in the last 10 years: -





7. Mr. Anant Gatepithaya

Age: 69 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 |



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
2000- Present	Chairman	The Brilliant Solution Recruitment Co., Ltd.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -



8. Mr. Pumipat Sinacharoen

Age: 50 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
Directorship(s) in Other Company	
Director	Liquor Distillery Organization Excise Department
Director	Secondary Mortgage Corporation
Director	The Forest Industry Organization Ministry of Natural Resources and Environment
Director	J.S.P Property Management Co., Ltd.
Director	Proud Real Estate Co., Ltd.

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
2018 - Present	Director	The Forest Industry Organization Ministry of Natural Resources and Environment
2018 - Present	Director	J.S.P Property Management Co., Ltd.
2019 - Present	Director	Proud Real Estate Co., Ltd.
2002 - 2018	Chief People Officer (CPO) and Director of AP Academy / Chief Finance Officer (CFO), Investor Relations	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

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





9. Mr. Suthanai Presertsan

Age: 65 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: -





10. Mr. Anantachai Yoonprathom

Age: 51 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

Directorship(s) in Other Company

Director

Sustainability Development Institution

Work Experience

2017– Present

Independent Director/
Director of the Audit Committee/
Vice Chairman of the Corporate
Governance Committee

Fortune Parts Industry Public Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





Ms. Parichatra Laotheerasirivong

Independent Director/ Director of the Audit Committee

Date of Appointment : 22 April 2019

Education:

- Master's Degree in Executive MBA Kasetsart University
- Bachelor's Degree in Commerce, Faculty of Commerce and Accountancy, Thammasat University

Training Program

- Economic Management Program for Executives (Advanced Certificate) Class 12, King Prajadhipok's Institute
- Executive Program "Thammasat for Society" Class 2, Alumni Association Thammasat University
- Chief Financial Officer Program (CFO), Class 15/2011, Federation of Accounting Professions
- Advanced Industrial Management Program Ministry of Industry, 9th generation
- Director Certification Program (DCP), Class 75/2013, Thai Institute of Directors Association
- Seminar Bourse Game (Foreign Exchange Trading), Citibank Bangkok THAILAND
- Seminar for International Banker Chase-Manhattan, N.Y., USA.

Directorship(s) in Listed Companies

Independent Director, Director of the Audit Committee	Fortune Parts Industry Public Company Limited
Senior Executive Director	Lease It Co., Ltd.

Directorship(s) in Other Company

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Work Experience

2016 - 2018	Senior Vice President	T.C.C Land Group and
2007 - 2018	Deputy Managing Director	Small and Medium Enterprise Development
2013 - 2014	Acting Managing Director	Bank (Thailand)
2013 - 2014	Director/ Risk Management Director	National Credit Bureau Co., Ltd.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





11. Kiattisak Chairuamkul

Age: 50 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

Training Program

- | | |
|---|--|
| - 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 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





12. Phimon Lertsabanant

Age: 51 years old

Executive Committee/ Chief Finance Officer/

Risk Management Committee/ Anti-Corruption/ Investor Relation

Date of Appointment : 15 May 2019

Education :

- Bachelor of Business Administration Rajamangala Institute of Technology
- Bachelor of Economics Ramkhamhaeng University
- Master of Business Administration, Master's Degree Chulalongkorn University

Training Program :

- | | | |
|---------------------------------|--------------------------|---|
| - 6 Sigma Training “Black Belt” | - Business Communication | - |
| - Team Leadership | - SAP Globalization ERP | |

Directorship(s) in Listed Companies

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

2019- Present	Executive Committee/ Chief Finance Officer/ Risk Management Committee/ Anti-Corruption/ Investor Relation	Fortune Parts Industry Public Company Limited
2018 - 2019	Financial Controller	Gems Pavilion Creation Co., Ltd.
2014 - 2018	CFO	Rematec & KSN (Thailand) Co., Ltd.
2014 - 2014	Accounting and Finance Manager	INOAC (Thailand) Co., Ltd.
2011- 2014	Accounting and Finance Manager	Asahi Tec Aluminium (Thailand) Co., Ltd.

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





13. Sungvien Meethong

Age: 54 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 |
-



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 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





14. Sarayuht Ouybuan

Age: 51 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) |



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 2019): 620,000 shares (0.04%)

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





15. Thongchai Wiwong

Age: 47 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 |



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 2019):

1,080,000 shares (0.07%)

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





16. Dr. Saruda Chit Chuea

Age: 48 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 | - Energy management for factory managers and control buildings |
| - Cost management enhancement course, 2010, Department of Industrial Promotion | - Personnel in pain around the factory "Pollution Control Authority" |
| - National Quality Award Criteria Program for Auditors 2/2556 National Productivity Institute | - Reunite, create power, build relationships, share happiness, aim for sustainable health |
| - TQA Pre-Assessor Course 3/2556 National Productivity Institute | - Supply chain linkages and stakeholders |
| - TQA Assessor Course 5/2013 National Productivity Institute | - Positive thinking for life |
| - Neuro-Linguistic Programming Course 3/2557 Mr. Barney Wee | - A project to encourage the establishment to comply with the law on the employment of the disabled |
| - Cost reduction and production efficiency courses for the food industry in 2014, Department of Industrial Works | - Company snapshot, a new tool for investment |
| - Internal Quality Monitoring Course ISO 9001 & ISO 14001 12/2557 Panu Consulting and Training Center Co., Ltd. | - Driven the development of manpower, Super cluster, vehicles and parts |
| - Risk Management Program for New Enterprise (Risk Management) 7/2558 | - HR Mega vision 2016 |
| - Drafting of the Skill Standard Drafting Program 20, Professional Branch 8/2558, Ministry of Labor | - Project manager for happy work place |
| - Environmentally friendly production promotion program for the automotive and automotive parts industry 9/2558 | - 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 |



-
- | | |
|---|--|
| <ul style="list-style-type: none"> - 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 | <ul style="list-style-type: none"> - 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 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





17. Ms. Sirilak Pattatung

Age: 42 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	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 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years:





18. Mr. Prajak Sripa

Age: 52 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
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Work Experience

2008 – Present	Information and Technology 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 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -





19. Ms. Boonphai Khumsaensuk

Age: 49 years old

Production Manager / Risk Management Committee/ Anti-Corruption

Date of Appointment : 21 February 2019

Education

- Bachelor of Production Technology, Rajabhat 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 2019): -

Family Relationship among Directors and Executives: -

Illegal record in the last 10 years: -



Organization Structure

Organization Structure

The Company's management structure consists of the Board of Directors, and 6 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 11 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
11.	Ms. Parichatara	Laotheerasirivong	Independent director and Director of Audit Committee

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

Board of Directors is responsible to shareholders in the business operations of the company by monitoring the management to be in accordance with the policy, guideline, and goal that will bring maximum benefit to the shareholders and within the framework of good corporate governance and ethics and taking into account the interests of all stakeholders. The Board of Directors have duty to comply with the laws, objectives, regulations of the company and the resolution of the shareholders' meeting, which they must perform duties with honesty and carefully protect the interests of shareholders now and in the future, as well as, compliance with regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

In performing duties, the Board of Directors appointed managing director to responsible for the company's business operations.

In overseeing the company's business, the following matters are defined as the authority and responsibility of the Board of Directors to be the person who approves or agrees

- (1) Defining the vision, mission, direction, strategy, policies, business directions, goals, work plans and annual budgets of the company and its subsidiaries.
- (2) The company's performance and quarterly subsidiaries of the company compare with goals, plans, budgets, and consider the operational trends of each year.
- (3) Investment in projects that do not include in the annual budgets.
- (4) Issuance of documents relating to company securities.
- (5) Acquisition and sale of assets, acquisition of a company, join in a joint venture project that is not in conflict with the rules of the Stock Exchange of Thailand, The Securities and Exchange Commission and the related laws that exceed the amount assigned to the managing director.
- (6) Any transaction or action that has a significant impact on financial status, debt burden, business strategy and the reputation of the company.
- (7) Any contract that is not related to normal business operations and contracts relating to normal business operations that are important.



- (8) Transactions between the company, subsidiary companies and related persons in accordance with the regulations of the Stock Exchange of Thailand and the Stock Exchange Commission and other relevant laws.
- (9) Authority table of the organization.
- (10) Interim dividend payment
- (11) Changes in significant accounting policies and practices regarding accounting Risk management and internal control
- (12) Hiring the managing director and senior management
- (13) Determination and change of the approval authority given to the managing director and senior management
- (14) Appoint an auditor and consider the remuneration
- (15) Appoint and end the status of director and company secretary
- (16) Delegation of authority to the chairman of the board, managing Director or Company Director as well as the amendment of the said delegation of duties must not be in conflict with the rules of the Stock Exchange of Thailand, the Stock Exchange Commission and related laws
- (17) Appointment and determination of the authority of Sub-committee
- (18) Appointment of directors in subsidiary companies and consideration of remuneration for the committees (Not more than the total amount approved by the shareholders)
- (19) Establishment and supervision of management in accordance with the principles of corporate governance
- (20) Any other action to be in accordance with the law, objectives, regulations and resolutions of the shareholders' meeting of the company.
- (21) Changes, improve and modify the organizational structure of the position from vice president and manager.
- (22) Establish appropriate good corporate governance policy and business ethics which consists of principles and best practices for directors, executives, and employees with the aim to create a sense of responsibility in performing duties, creating understanding, and strict adherence to the company's regulations to ensure fairness to all stakeholder groups.
- (23) Arrange an accounting system, financial reporting and reliable auditing including supervising the process for assessing the suitability of internal control and internal audit for efficiency and effectiveness
- (24) Consider the important risk factors that may occur, completely set guidelines for managing risks and cover overseeing the management to have an effective system or process for risk management including seeking business opportunities that may arise from such risks
- (25) Monitor and manage potential conflicts of interest that could occur including related transaction by giving importance to the consideration of important transactions by focusing on the utmost benefit to shareholders and stakeholders as a whole
- (26) Provide appropriate means of communication with each group of shareholders and supervise the disclosure of information to ensure accuracy, clarity, transparency, reliability and the highest standards
- (27) Evaluate the performance and review the performance of one's own duties and the Chairman of the Executive Committee and the Managing Director regularly a time per year
- (28) Set up a system or mechanism for determining remuneration for the top executives of the company by ensure that it is appropriate in accordance with the operating results to create both short-term and long-term motivation
- (29) Be a leader and a role model in good performance with ethics which is consistent with the good corporate governance policy of the company

- (30) Arrange an evaluation of performance in accordance with the corporate governance policy and ethics of the company at least 1 time per year
- (31) Appropriate systems for selection of personnel to be responsible for important management positions at all levels. Also ensure that there is a transparency and fairness in the recruitment process. However, from the level of Deputy Managing Director upwards to the Executive Chairman will be appointed by a majority vote of the Board of Directors.
- (32) Report to the company of the interests of oneself and those involved, which is an interest in the management of the company or joint venture companies
- (33) Attend the meeting of the Board of Directors and every shareholder meeting. However, if there is an important task that cannot be attended by the meeting, the Chairman of the Board of Directors should be notified.
- (34) Focus on business operations with social and environmental responsibility. Promote the sustainable well-being of Thai society by starting from the improvement of the living conditions of people in communities around the factory so that communities and factories can live together sustainably
- (35) Support the company to operate in anti-corruption in all forms for advancement and growth.

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

- a. Acquisition or sale of important assets or any related transaction as outlined by the laws and the Capital Market Supervisory Board
- b. Sale or transfer of FPI enterprises or its components to other entities
- c. Purchase or acquisition of enterprises on behalf of FPI
- d. 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
- e. Making additions or changes to FPI's Memorandum or Articles of Association
- f. Increasing or decreasing the registered capital
- g. Issuance of debentures for sales to the public
- h. Dissolution of FPI or merging it with another company
- i. Announcing annual dividends
- j. 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.
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.



Audit Committee



As at 31 December 2019, the Audit Committee comprises of 5 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)
5. Ms.Parichatara	Laotheerasirivong*	Audit Committee (Independent Director)*

Remark: * The members of audit committee have knowledge and experience to verify reliability of the financial statements. Mrs. Suree Nuntatikul is the secretary of the Audit Committee.

The Audit Committee is comprised of at least 3 Independent Directors. Each Director has a three-year period 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.



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 2019, the Audit Committee held a total of 4 meetings and had a meeting with company's auditor without management 1 times (21 February 2019) for 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.



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



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. Phimon	Lertsabanant	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.

Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 3 Directors as follow:

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 2019, 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.



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. 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), 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.

2. 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.

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.
- 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

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

3. 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.

4. Meetings

- 4.1 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.
- 4.2 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.
- 4.3 Corporate Governance Committee Members with connected transaction in any matter being reviewed must be excluded from the voting on that matter.
- 4.4 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.

5. 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.

6. 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.

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. Phimon	Lertsabanant	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 2019, 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 Anti-Corruption Committee

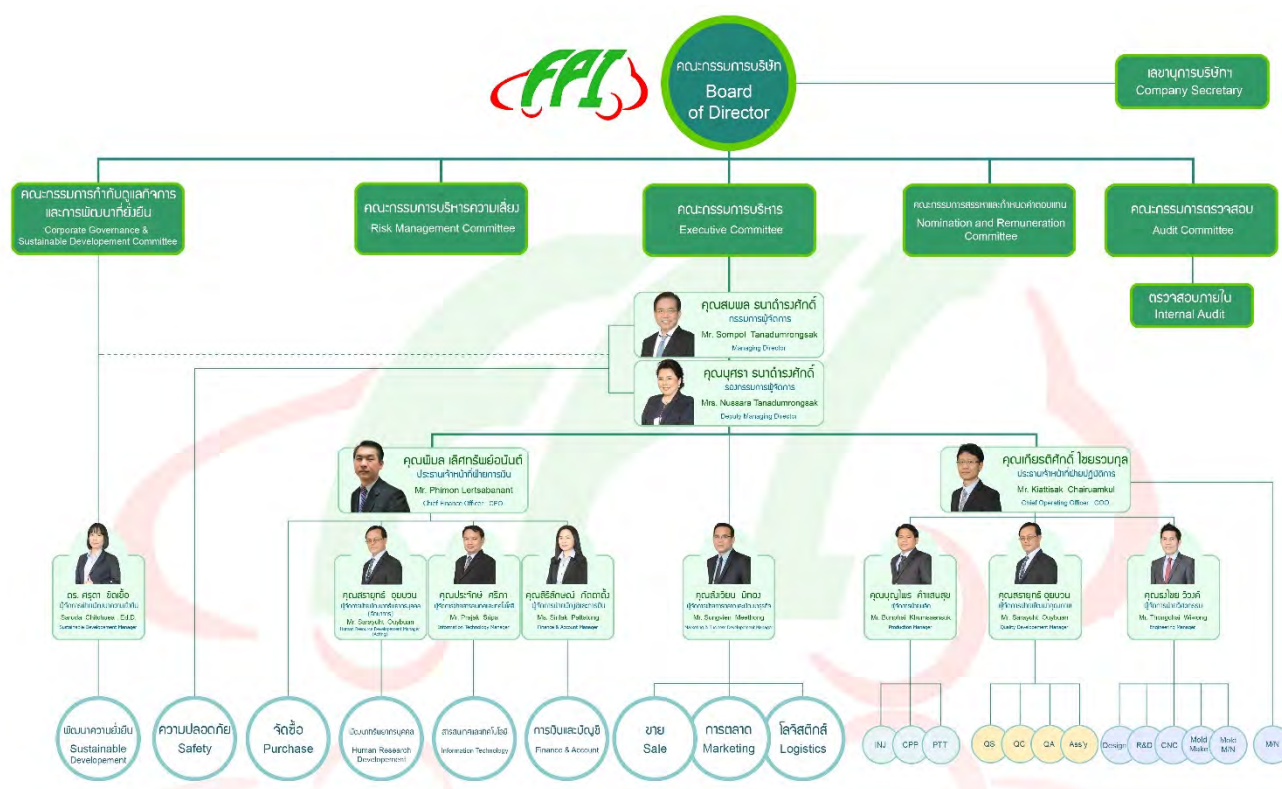
	Name – Surname		Position
1.	Mr. Anant	Gatephitaya	Chairman of Anti-Corruption
2.	Mr. Suthanai	Prasertsan	Vice Chairman of Anti-Corruption
3.	Mr. Sompol	Tanadumrongsak	Vice Chairman of Anti-Corruption
4.	Mrs. Nussara	Tanadumrongsak	Anti-Corruption Group
5.	Mr. Kiattisak	Chairuamkul	Anti-Corruption Group
6.	Mr. Phimon	Lertsabanant	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.

- 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.
- Division Managers have a duty and responsibility to control operations according to the policy.
- Committee team has been appointed by the responsible parties in the organization.

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. Phimon	Lertsabanant	Chief Finance Officer
5. Mr. Sungvien	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



The Board of Directors' structure and composition

The Board of Directors set up an appropriate number of director that is suitable for the size of the business. There are 11 directors, which is consisting of

Executive Director	2	18.18%
Non-Executive Director	4	36.36%
Independent Director	5	45.45%

Independent directors are comprising 45.45 percent of the Board of Directors, which is consisting of

1. Mr. Suthanai Prasertsan
2. Mr. Anant Gatepithaya
3. Mr. Pumipat Sinacharoen
4. Mr. Anantachai Yoonprathom
5. Ms. Parichatara Laotheerasirivong

The definition of "independent director" is as follows

1. Holding shares not exceeding 0.5% of the paid-up registered capital of the company and its subsidiaries, including shares held by related persons
2. Not being a director assigned to be responsible for the management of normal business operations of the company, subsidiary company or shareholder. Also, not being a director with authority to sign to bind the company, employee, staff or advisor who regularly receives salary from the company, subsidiary company or major shareholder of the company.
3. Being a director that has no interests whether it is directly or indirectly both in finance and administration
4. Being a director who is not the auditor of the company, subsidiary company, juristic person that may have conflict of interest
5. Being a director who is not a related person or close relative of the management or major shareholder of the company
6. Being a director that has not been appointed as a representative to protect the interests of the company's directors or major shareholder
7. Able to independently perform duties, express opinions or report performance results as assigned by the Board of Directors.

Nomination of Directors and Top Executives

To comply with the corporate governance policy, the Board of Directors has set policies, criteria, method for selecting directors and senior management of the company by assigning the Nomination and Remuneration Committee to recruit knowledgeable people, suitability to be selected and determines the criteria and methods for recruiting, which depends on the suitability of the company's situation at that time.



The development of Director and Management

The Board of Directors has promoted, supported, provided training and providing relevant knowledge to directors and executives to continuously improve the operation. For Instance, to promote meet-ups between directors and senior executives to exchange views with each other, to promote the preparation of a plan for the development of executives at the level of managing director, deputy managing director etc.

By assigning the Nomination and Remuneration Committee follow up on the succession plan for the managing director and deputy managing director to ensure that the company has knowledgeable and sufficient ability executives to perform the duties as follows

1. The Board of Directors specifying a plan for executive capability development to create a succession plan consisting of the managing director and deputy managing director
2. Nomination and compensation committee considers and determines the competency and experience of each position to select executives with consistent qualifications as specified to inherit the work of each position
3. Managing Director assess operations, knowledge and capability of qualified executives compared with the competency level needed to develop an individual development plan to reduce the competency gap
4. Assigned to the Human Resources Development Department to take the responsibility for monitoring the training, and develop knowledge and ability of people inheriting the position of deputy managing director.
5. Managing Director promotes duty and responsibilities rotation among executives with consistent qualifications and assigned to the level of executive vice president to attend the board of directors meeting in order to have an understanding, experience, and readiness to manage the organization in the future.
6. Managing Director reports the development results according to the individual development plan of the executives who have the qualifications specified by the Nomination and Compensation Committee twice a year.
7. Nomination and Compensation Committee reviews and summarizes the succession plan of the job position of managing director and the deputy managing director on a regular basis and report to the Board of Directors once a year.

The Board of Directors Meetings

Board of Directors set up schedule the board of directors' meeting in advance of each year and will have meeting at least 4 times a year, including special meetings as may be necessary. In each meeting, there is a clear agenda; agenda for acknowledgment and agenda for consideration. There is a sufficient and complete meeting documents which are delivered to the directors no later than 7 business days in advance of the meeting for the Board of Directors to have sufficient time to study the information before attending the meeting. At the meeting, the chairman has allocated sufficient time for all directors to openly discuss and express opinions. The non-executive directors are assigned to have a meeting among themselves without management, in the year 2019, there was 1 non-executive board meeting held on February 21, 2019. The Chairman of the Board will compile the comments and conclusions from the meeting. The minutes of the meeting were prepared in writing by the secretary of the board of directors and after being approved by the meeting, will be kept at the office no. 11/22 Moo 20 Nimitmai Road, Lamlukka, Lamlukka, Pathumthani for the directors and related parties to inspect.



In the 2019, the Board of Directors, Sub-committee, and Independent directors have a meeting, the details of meeting attendance of each director can be summarized as follows:

Name	Position	Meeting attendance / Total meetings (times)						
		Board of Director	Audit Committee	Nomination and Remuneration	Corporate Governance	Risk Management	Anti-Corruption	Non-Executive Director
1. Mrs. Raweewan Mathong	Chairman of the Board	6/6						1/1
2. Mr. Sangcharean Tanadumrongsak	Vice Chairman	5/6						1/1
3. Mr. Sompol Tanadumrongsak	Director, Chief Executive Officer, Director of Corporate Governance, Vice Chairman of the Risk Management Committee, Vice Chairman of Anti-Corruption, Managing Director	6/6			4/4	2/2	2/2	
4 Mr. Somkit Tanadumrongsak	Director	6/6						1/1
5. Mr. Yanyongchai Tanadumrongsak	Director	6/6						1/1
6. Mrs. Nussara Tanadumrongsak	Director, Executive Vice President, Director of Corporate Governance and Sustainable Development, Director of the Risk Management Committee, Anti-Corruption Group	6/6			4/4	2/2	2/2	
7. 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	6/6	4/4		4/4	2/2	2/2	1/1
8. Mr. Anant Gatepithaya	Independent Director, Director of Audit Committee, Director of Nomination and Remuneration, Chairman of Risk Management Committee, Chairman of Anti-Corruption	6/6	4/4			2/2	2/2	1/1
9. Mr. Pumipat Sinacharoen	Independent Director, Director of Audit Committee, Chairman of Nomination and Remuneration Committee, Vice Chairman of Corporate Governance and Sustainable Development	6/6	4/4	2/2	4/4			1/1
10. Mr. Annantachai Yoonprathom	Independent Director, Director of Audit Committee, Director of Nomination and Remuneration Committee, Vice Chairman of Corporate Governance and Sustainable Development	6/6	4/4	2/2	4/4			1/1
11. Ms. Parichatra Laotheerasirivong	Independent Director, Director of Audit Committee	4/6	3/4					0/1

Note: Miss Parichatra Laotheerasirivong, Independent Director and Audit Committee, which is appointed on 22 April 2019 in accordance with the resolution of the 2019 Annual General Meeting of Shareholders.

The Board of Directors has set a policy regarding the minimum quorum at the time that the board of directors will pass a resolution at the board meeting that there must be at least 2 in 3 of the total number of directors.

Term of office

The Board of Directors Comprises of knowledgeable and capable persons. The company has set up an appropriate number of directors for the size of the business of the company. Currently, there are 11 directors, 1 executive director, 8 non-executive director (5 of which are independent directors), which is 45.45% of the total directors. Each director has a term of 3 years and has a limited number of years in office. The term of independent directors is not more than 9 years, starting from the date of the 2017 Annual General Meeting of Shareholders onwards.

Name	Year of Appointment	Last year selected (2019)	Type of Director	Recruitment / Appointment is Director 2020 in 2019	The next appointment
1. Mrs. Raweewan Mathong	1991	2019	Chairman of the Board	No	2022
2. Mr. Sangcharean Tanadumrongsak	1991	2017	Vice Chairman	No	2021
3. Mr. Sompol Tanadumrongsak	1991	2017		Yes	2021
4. Mr. Somkit Tanadumrongsak	1991	2017	Non-Executive Director	Yes	2023
5. Mr. Yanyongchai Tanadumrongsak	1991	2017	Non-Executive Director	No	2023
6. Mrs. Nussara Tanadumrongsak	2016	2019	Executive Director	No	2022
7. Mr. Suthanai Prasertsan	2016	2016	Independent Director	Yes	2023
8. Mr. Anant Gatepithaya	2004	2019	Independent Director	No	2021
9. Mr. Pumipat Sinacharoen	2005	2019	Independent Director	No	2022
10. Mr. Annantachai Yoonprathom	2016	2017	Independent Director	Yes	2022
11. Ms. Parichatra Laotheerasirivong	2019	2019	Independent Director	No	2021

Company Secretary

According to the Securities and Exchange Act B.E. 1992, Section 89/15 and Section 89/16, the resolution of the Board of Director No. 2/2019 on 21 February 2019 appointed Mr. Sarayuht Ouybuan as a company's secretary. 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.

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:

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





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
- Accessories such as 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
- Electrical parts

2. Trading Product 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



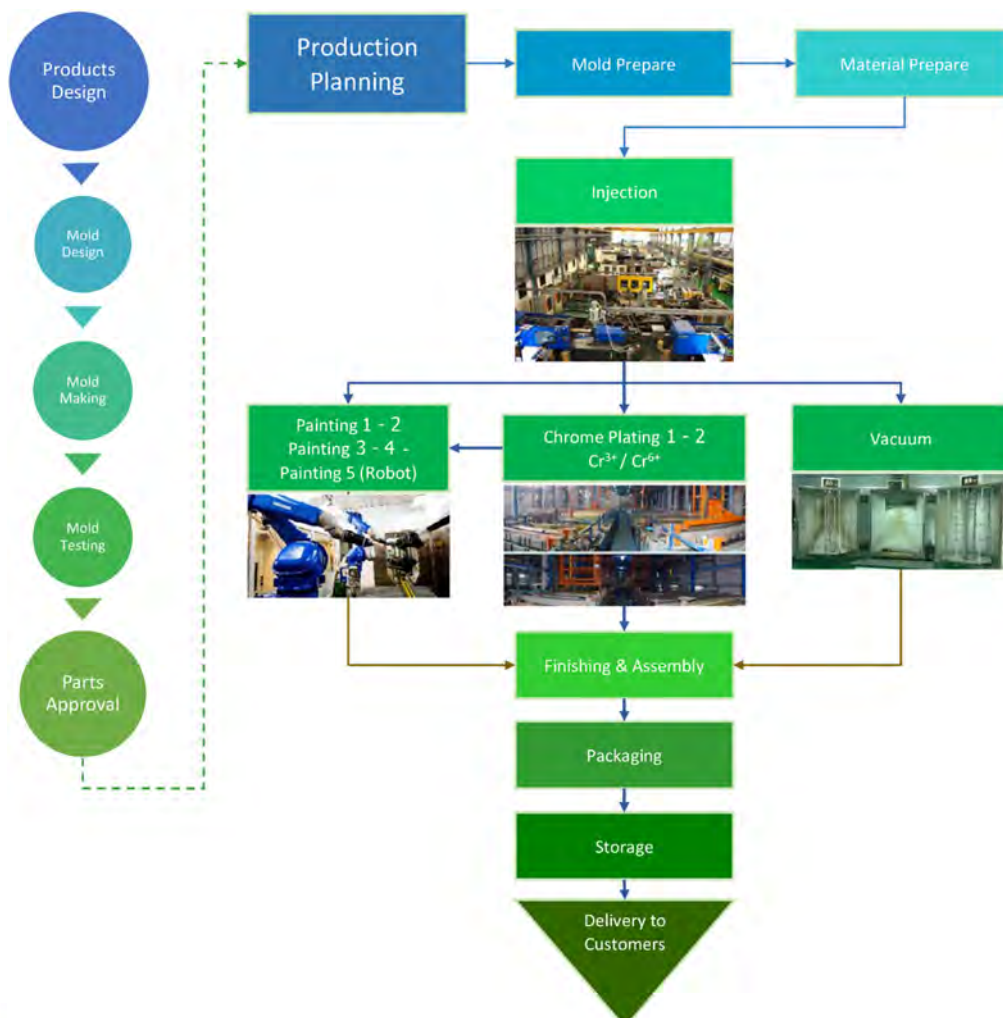
Product Variety and Services

“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 2016-2019 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	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Domestic Sales	252.45	12.49	293.54	15.29	361.34	17.43
2. Export Sales	1,724.64	85.31	1,598.25	85.25	1,693.32	81.68
3. Services Income	2.07	0.10	1.09	0.06	0.82	0.04
4. Other Revenues	42.52	2.10	26.86	1.40	17.71	0.85
Total Revenue	2,021.68	100.00	1,919.74	100.00	2,073.19	100.00

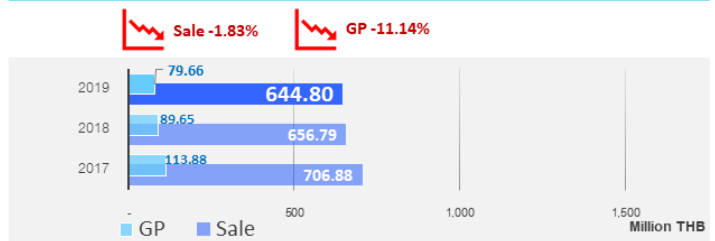
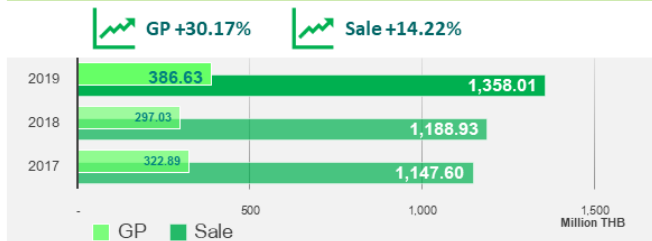
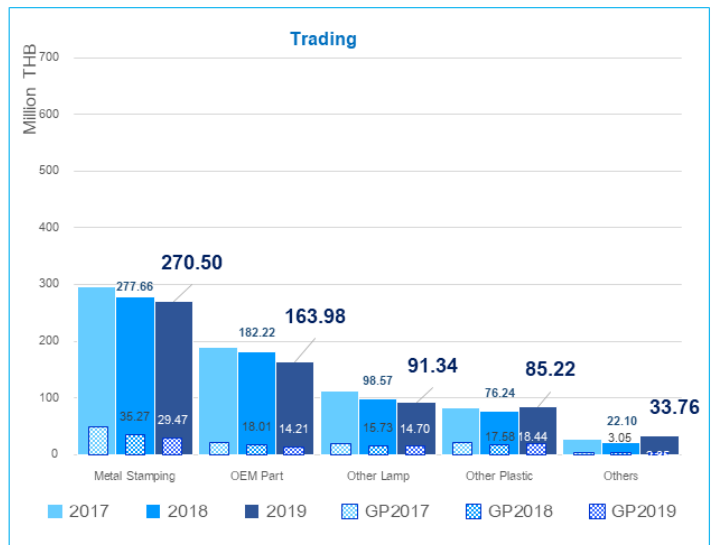
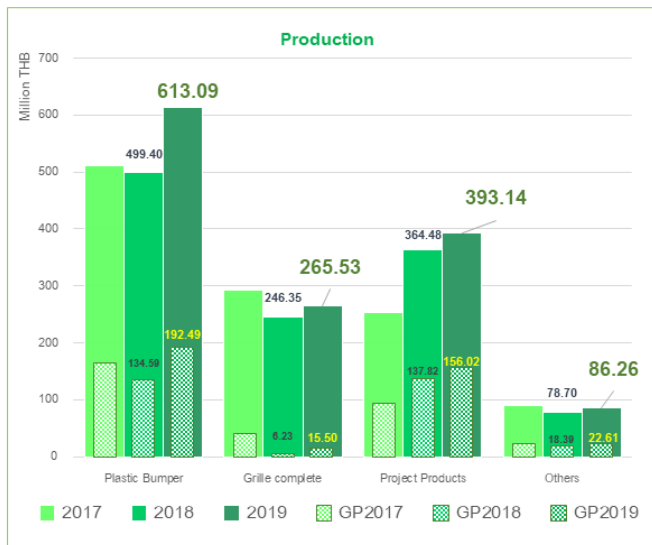
Note : Other Revenue: export incentive, gain on exchange rate, interest income and gain from sales of scrap.

The revenue of the company for the years 2017-2019 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:

Total Revenues from Sales by Zone (Percent)



Total Revenues by Product categories (Unit: Million Baht)



Total Revenues (Unit: Million Baht)

- Export Sale
- Domestic Sale
- Service Income
- Others

Remark : Others are include

1. Export incentive
2. Gains on exchange rate
3. Other income





Future Plans

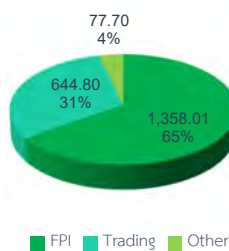
Future Plans

Fortune Parts Industry Public Company Limited strives to create added value for the business and develops business competitors to be business partners to reduce competition and competitors 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.

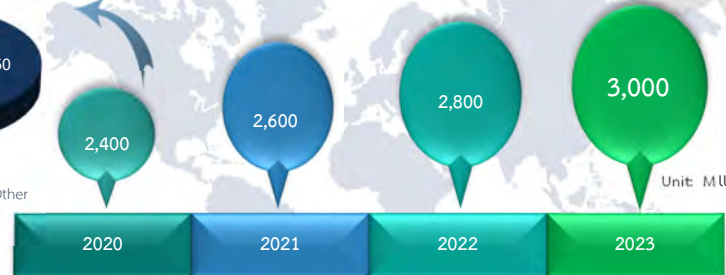
Economic

The company has determined the direction of revenue growth from products and services for 2020-2023 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

Sales 2019 (Million THB)

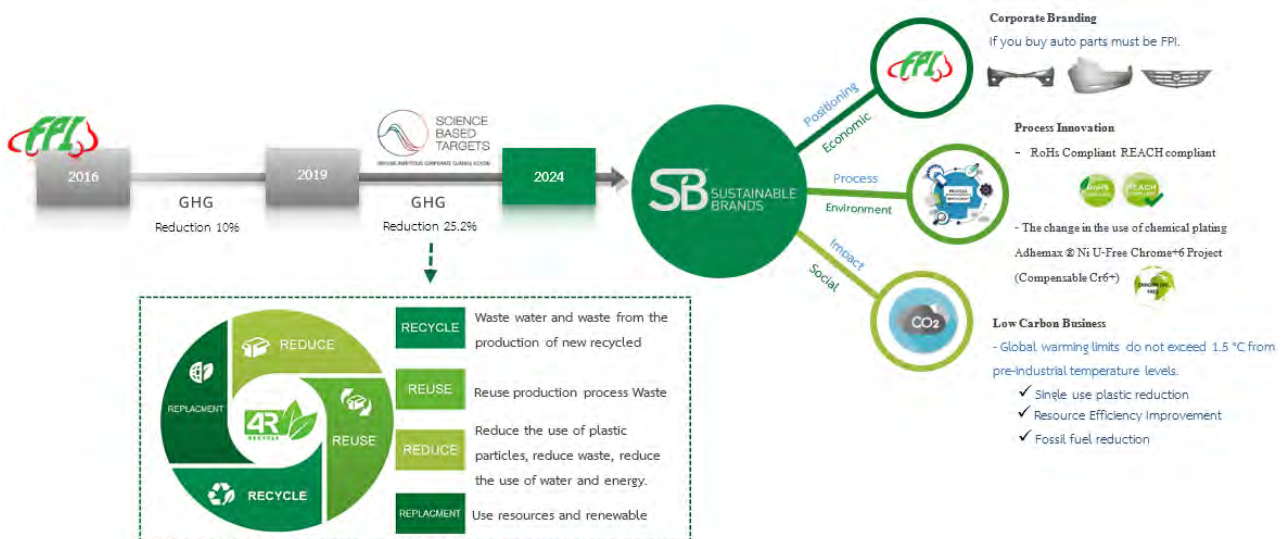


Sales 2020 (Million THB)

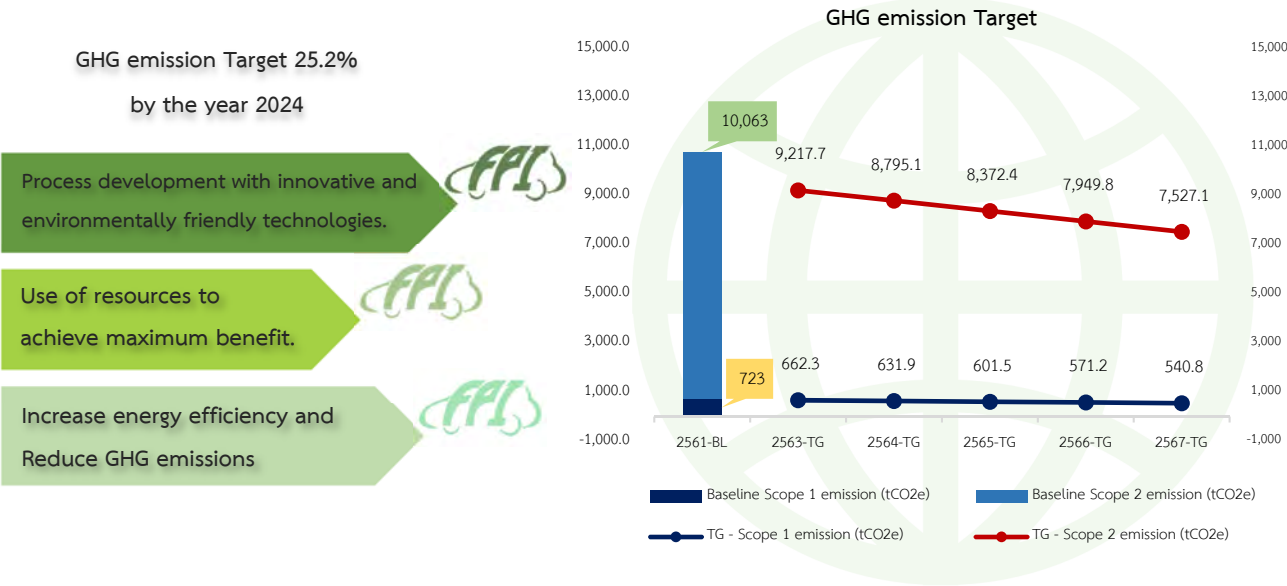


Unit: Million THB

Environment

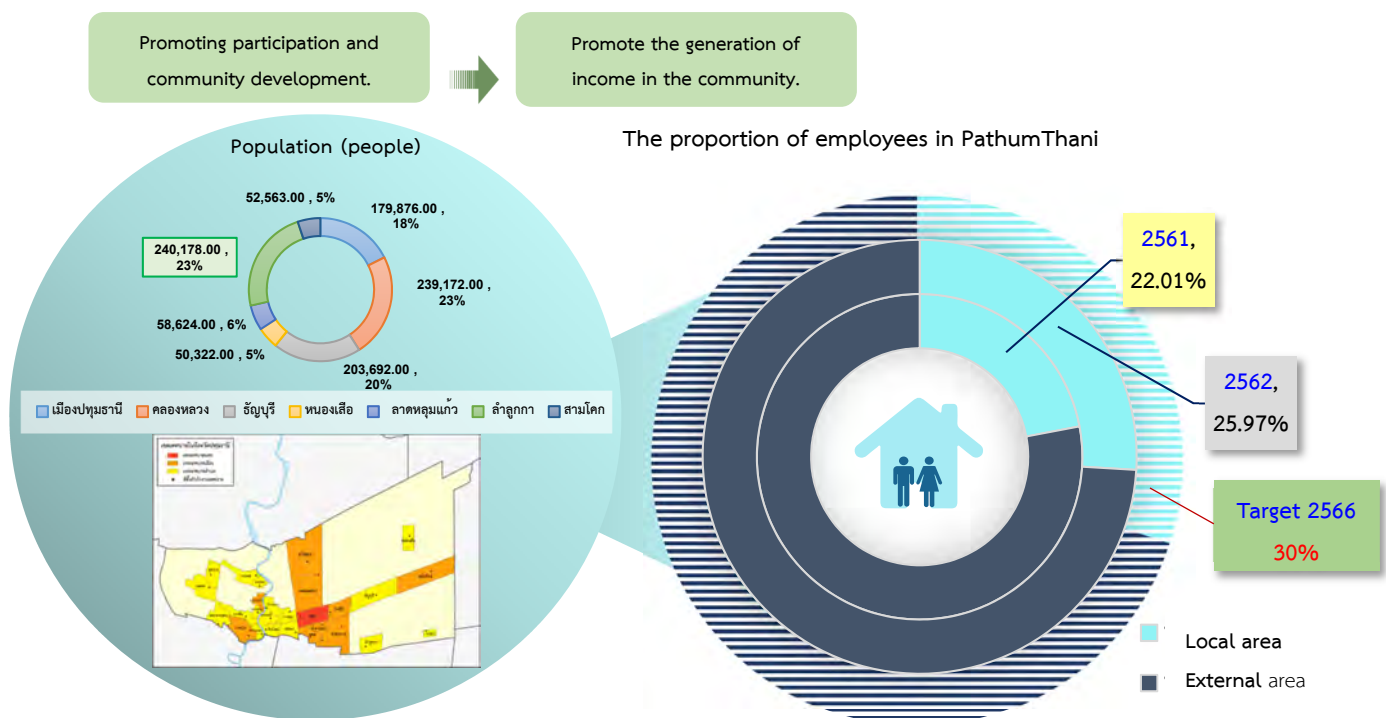


The company has set the guidelines for economic development with a quality of life in an environmentally friendly society by managing waste and reducing climate change by using economic strategies to benefit and reduce the impact of environmental to minimum level by using the process of bringing raw materials that have been produced and consumed into new or reused production processes to reduce the risk of raw material shortage and environmental pollution problems that occur in the future. This is to upgrade the automotive industry to grow with a quality of life that is environmentally friendly including the development of indicators for economic growth compared to the environmental impact of business operations, both directly and indirectly leading to low carbon business.



Social

The company has established guidelines for promoting and developing people to have valuable knowledge and skills in their careers, including supporting career building, creating income, and developing professional skills, provide assistance to the underprivileged, women and the elderly as well as supporting small businesses, small and medium sized enterprises and community enterprises as well as supporting community economic development and promotes occupations at the community level, promotes learning communities and knowledge transfer in communities to help solve social problems in the area, strengthen communities as social co-forces in supporting the economy of Pathum Thani Province in accordance with the Sustainable Development Goals of the world in which everyone has the right to have an equal care to improve the quality of life along with the growth of the organization's income while also balancing to be able to live happily with society and communities for the common goal of creating a sustainable industrial city.



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.



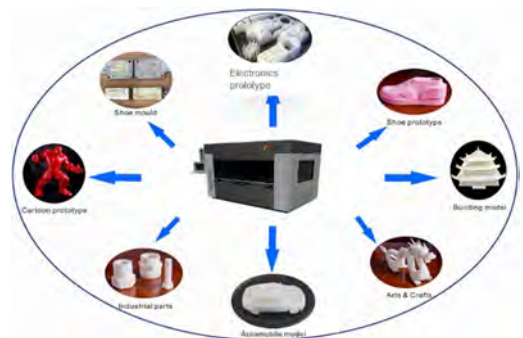
1.2 Joint Venture for 45% with ALP FPI Parts Private Limited, located in India. The registered capital of INR 520 million, representing an investment value of INR 232.09 million.



1.3 Mold rental services It is a strategy to adjust the strategy to be in line with the changing business context and reduce the tax barrier from the trading partner countries to create new market opportunities or to change existing ones in the context, which is to create value for services and reduce the use of natural resources of the organization.



1.4 Developing business type B2C to be in line with different and diverse consumers by using 3D Printing technology to reduce waste, create models and customize products to specifically meet the needs of customers or consumers, which can select or adjust the product model freely and receive the product only overnight.



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

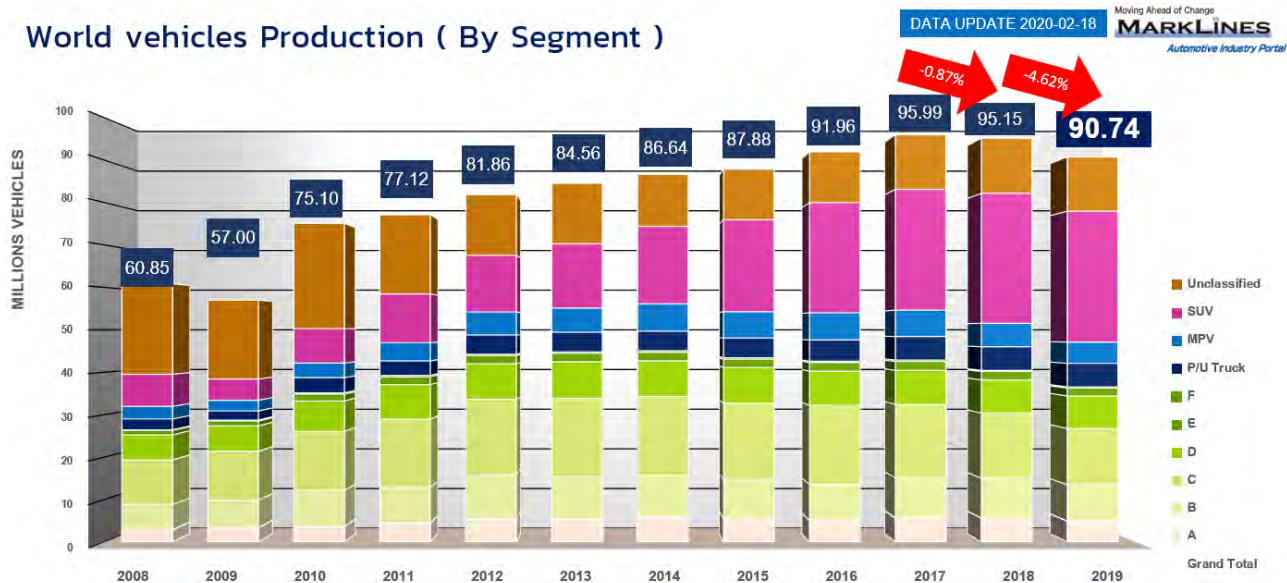
2.1 Invest in Biomass power plant of not exceed 120 MV





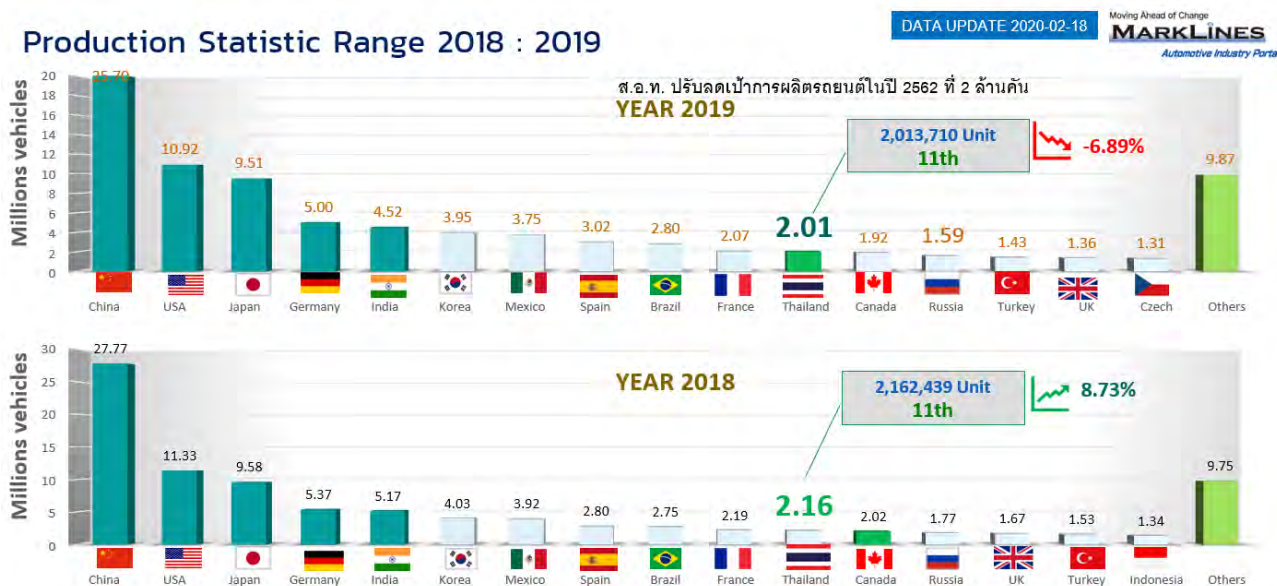
Industry Overview and Competition

World vehicles Production (By Segment)



In 2019, the automotive industry slowed down with the global production of 90.74 million units, divided into personal sedans of 36.56 million cars, pick-up SUV MPV 41.39 million cars and commercial vehicles such as vans, trucks, buses and others amounting 12.78 million cars. Overall production decreased by 4.62 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 by 0.70 percent from the previous year.

Production Statistic Range 2018 : 2019



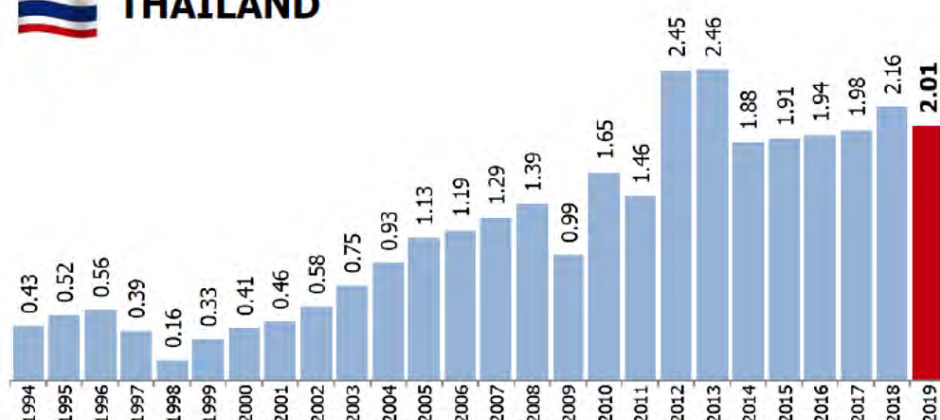
The estimation of Thailand's automobile production in 2019 has set a target production of 2,000,000 cars. In the past year, the total production of 2,013,710 vehicles which increased more than the target car production, accounting for 0.69 percent. For the overview of automotive production, the volume of automobile production in Thailand in the year 2019 is ranked 11th in the world, which is not change from the previous year. Thailand can be considered as the number 1 automobile manufacturer in ASEAN.



Thailand Automotive Production (1994 – 2019)

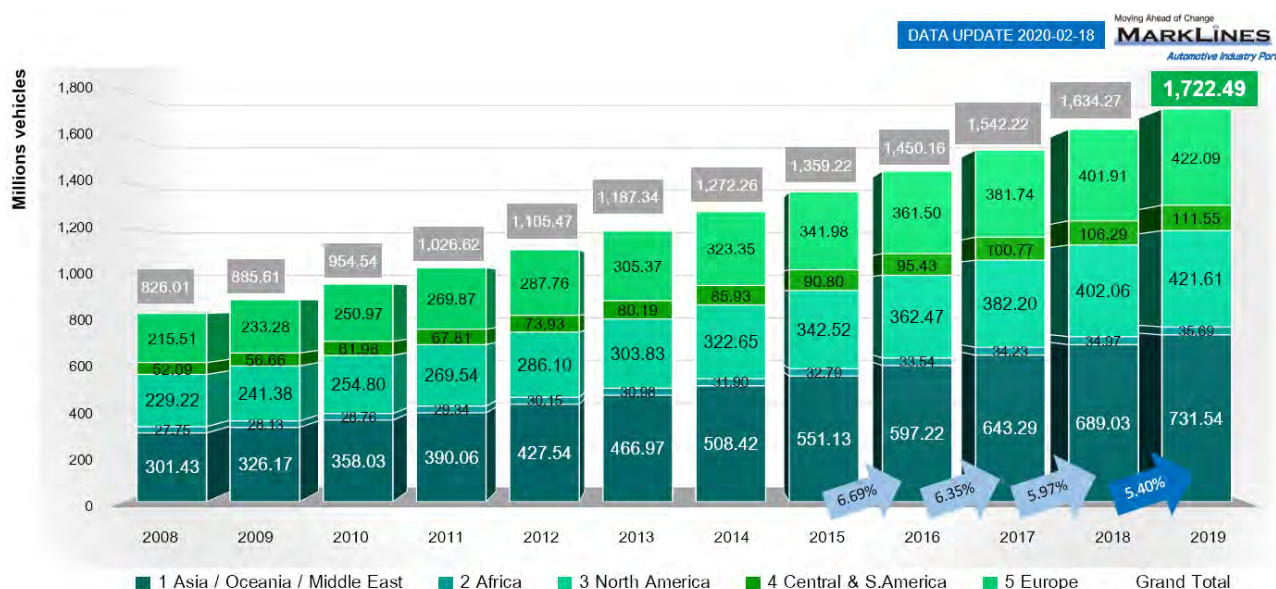


THAILAND



2019	Total
China	25,699,314
USA	10,920,670
Japan	9,509,347
Germany	4,997,959
India	4,515,823
Korea	3,950,589
Mexico	3,750,750
Spain	3,023,524
Brazil	2,804,012
France	2,070,106
Thailand	2,013,710
Canada	1,922,312
Russia	1,587,596
Turkey	1,430,186
UK	1,364,424
Czech	1,314,723
Others	9,868,501

The total production of Thailand is 2,013,710 units comprised of 1,037,164 units for export and 976,546 units for domestic sales while comparing to previous year, the production units are 2,162,439 units, representing a decrease in the production volume of 6.89 percent. The overall picture of the automotive industry still has risk factors which is the concern of domestic purchasing power, the problem of drought affecting agricultural productivity and income, the impact of the strength of the baht and the fluctuation of the world economy which affects the volume of automobile production in Thailand.



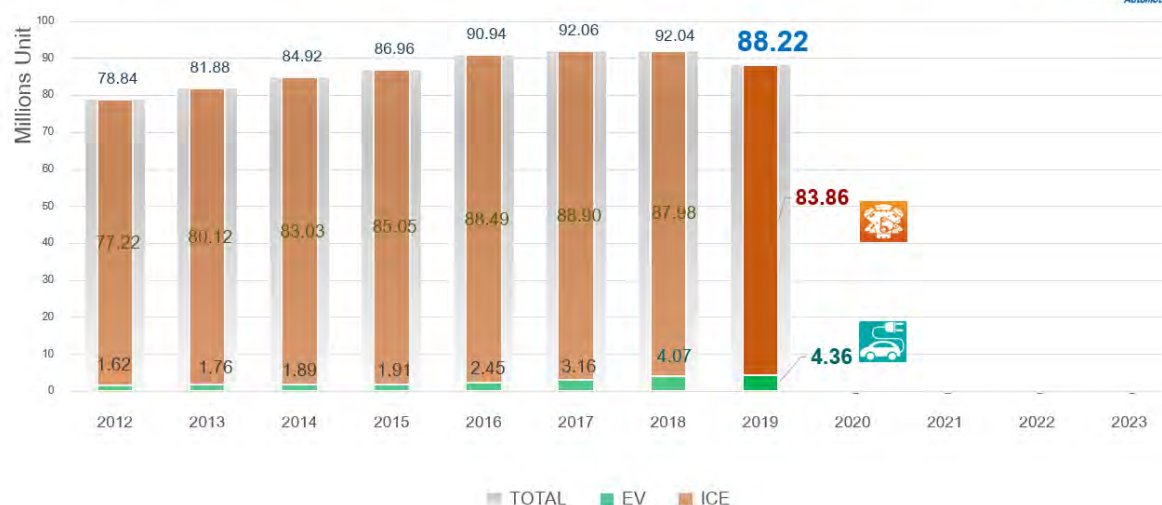
There was a steadily increase in the volume of cars each year over the past several years with an average increase of 5.40 percent over the past 5 year. For the top 5 countries with the highest volume of motor vehicles: Asian countries Oceania and the Middle East (6.17 percent), African countries (2.05 percent), North America (4.86 percent), Central America (4.94 percent) and Europe (5.02 percent).



Worldwide vehicles in use from 2008 to 2019 (in million vehicles)

DATA UPDATE 2020-02-18

Moving Ahead of Change
MARKLINES
Automotive Industry Portal



The automotive industry situation in the year 2019, there are the total of 88,218,149 vehicles, consisting of 87,976,889 cars with internal combustion engine (ICE) and 4,067,460 electric vehicles (EVs) with a decrease in the total vehicle volume of 4.15 percent from the previous year. For electric vehicles (EVs), the volume of cars increased by 7.1 percent from the previous year. However, the volume of cars driven by internal combustion engines (ICE) decreased by 4.68 percent from the prior year.

ZERO EMISSION



Management Discussion & Analysis

Executive Summary

In 2019, Fortune Parts Industry Public Company Limited had a net profit of Baht 192.09 million with earning per share (EPS) of Baht 0.13 per share which increased by 48.81 percent from the net profit Baht 129.79 million or Baht 0.09 per share in 2018.

Table of Company Operation Summary

	(Unit : Million Baht)		
	<u>2018</u>	<u>2019</u>	<u>Change (%)</u>
Sales and Service Income	1,940.22	2,055.48	1.09
EBITDA	389.76	460.57	18.17
EBITDA Margin (%)	19.81	22.18	9.42
Net Profit	129.08	192.09	48.81
Earnings Per Share (Baht)	0.09	0.13	44.44

The revenue of the company during the year 2017-2019 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	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Domestic Sales	252.46	12.49	293.54	14.92	342.44	16.52
2. Export Sales	1,724.64	85.30	1,645.58	83.66	1,712.22	82.59
3. Services Income	2.07	0.10	1.10	0.06	0.82	0.04
4. Other Revenues	42.76	2.11	26.86	1.36	17.71	0.85
Total Revenue	2,021.93	100.00	1,967.08	100.00	2,073.19	100.00

Overall performance results of the Company for the year ended 31 December 2019, compared to the same period of the previous year

Overall performance results of the Company for the year ended 31 December 2019, compared to the same period of the previous year were highlighted as below;

(Unit : Million Baht)

Separate financial statements

	2018	2019	% Change
Sales and Service Income	2,055.48	1,892.88	8.59
Cost of sales and Services	1,647.83	1,572.51	4.79
Selling and Administrative Expenses	176.25	171.57	2.73
Financial Cost	20.73	26.69	(22.33)
Net Profit	192.09	129.08	48.81

(Unit : Million Baht)

Financial statements

in which equity method is applied

	2018	2019	% Change
Sales and Service Income	2,055.48	1,892.88	8.59
Cost of sales and Services	1,647.83	1,572.51	4.79
Selling and Administrative Expenses	176.25	171.57	2.73
Share of profit (loss) from investments	(5.30)	(3.53)	50.14
Financial Cost	20.73	26.69	(22.33)
Net Profit	186.79	125.55	48.78

Total Revenues

In 2019 and 2018, total revenues of the Company were Baht 2,073.19 million and Baht 1,919.74 million, respectively, which increased by Baht 153.45 million or increased by 7.99%. Sales and service income for 2019 amounted to Baht 2,055.48 million increased by Baht 162.60 million or increased by 8.59%. This was mainly due to the increased in export sales in Asian and The Middle East zones by Baht 138 million or increased by 17%. In prior year, these zones are facing economic problems. However, in this year, the sales soared as the economy is getting better and there is a higher demand of automotive parts in the country. Moreover, the domestic sales increased by Baht 68 million or increased by 23% from the sales of OEM of Toyota, Daihatsu, Mitsubishi and Mazda BT50. The company also sell products to the customer in Thailand who exports the product to Japan. What is more, the revenue in South America zone increased by 19% in which one of the main customers in South America expanded more branches and the new policy of the Company to sell products to only one customer in some



country where the customer has high market shares in automotive product which lead to increase in the sales volume in this zone.

However, the Company's revenue was affected by the appreciation of exchange rate of 3.4% from an average of 32.06 per 1 Dollar in 2018 to 30.98 per 1 Dollar in 2019. Nevertheless, the Company could maintain the growth rate of revenue of 8.59%.

Cost of Sales and Services

In 2019 and 2018, total cost of sales and services of the Company, which is accounted for Baht 1,647.83 million and Baht 1,572.51 million, respectively, increased by Baht 75.32 million or 4.79%. This is mainly because of the increased in direct labor and overhead for manufacturing costs. However, the Company could manage to reduce the percentage of revenue and cost of sales comparing to the same period last year.

Selling and Administrative Expenses

For the period ended 31 December 2019, the Company's selling and administrative expenses increased by Baht 4.68 million or 2.73% from Baht 171.57 million 2018 to Baht 176.25 in 2019. The main reason is from the increase in selling expenses amounting to Baht 5.07 million which is in line with the increase in sales revenue. However, the percentage of selling and administrative expense and revenue in 2019 has declined comparing to 2018.

Financial Cost

In 2018 and 2019, the finance cost of the Company was Baht 20.73 million and Baht 26.69 million, respectively, which reduce by Baht 5.96 million or 22.33% because the Company could manage and obtain cheaper source of finance than the prior period.

Net Profit

In 2019 and 2018, net profit of the Company which were amounting to Baht 192.90 million and Baht 129.08 million, respectively, increased by Baht 63 million or increased by 48.81%. This was mainly because the increase in sales and service income, decrease in cost of sales, selling and administrative expense and finance cost. Furthermore, for period ended 31 December 2019, the Company has net profit of Baht 186.79 million which is more than the profit for the year ended 31 December 2019.

For Financial statements in which the equity method is applied in 2019 and 2018 have net profit of Baht 186.79 million and Baht 125.55 million, respectively which increased by Baht 61.24 million or increased 48.45%. For



share of loss from investments in joint ventures in the period ended 31 December 2019, the balance of Baht 5.30 million and Baht 3.53 million respectively were 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 2019, the Company recognized the profit from investment in joint venture of Baht 12.78 million

2. FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA., the joint venture of FPI, was held 45% by the Company. For period ended 31 December 2019, the Company recognized loss from investment in joint venture of Baht 0.11 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 18.19 million in the period ended 31 December 2019.

Financial Position (in comparison to as of 31 December 2018)

Overall financial position of the Company as of 31 December 2019, compared to the statement of financial position as of 31 December 2018, the balance of total assets which were Baht 2,758 million and Baht 2,553 million, respectively, increased by Baht 205 million, or increased by 8.03% due to the following reasons.

Total Assets

As at 31 December 2019, total assets were Baht 2,758 million, increased by Baht 205 million from the balance at the ended of 31 December 2018. This were mainly because the increase in trade receivable and other receivable and property, plant and equipment, and intangible assets increased as the company bought fixed assets and software to use in the operation during the period.

Total Liabilities

Total liabilities increased by Baht 267 million from Baht 1,143 million as at 31 December 2018 to Baht 876 million as at 31 December 2019. It was mainly because the increased in short-term loans from packing credit, letter of credit and trade payable of buying raw material for manufacturing, and accrued income tax.

Shareholders' Equity

As at 31 December 2019, shareholders' equity was Baht 1,616 million, which decreased by Baht 62 million from Baht 1,678 million as at 31 December 2018. This is mainly due to the net profit from operating for the period by Baht 186.79 million, treasury stock of Baht 103 million, and dividend payment of Baht 134 million.



Risk factors and the factors that affect investment decisions

Risk factors and the factors that affect investment decisions

The current business operation is facing several situations both internal and external that could affect the goals of the company. The company 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's risk management committee has reviewed the control processes in accordance with the operational quality standards and assessed the risks, and the appropriateness of risk management policies. The committee considered the change in business operations and the possibility of events that may cause risk factors to the organization to specify measures to control and reduce the likelihood of risk factors or risk impacts to an acceptable level. 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 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.

1.1 Risk from changes in the automotive industry

The company is interested in the changing trends that may affect the production and distribution of automotive parts of the company to determine the appropriate strategy to drive the business for continuously and sustainably growth. The trend of changes that are considered important issues are the development and production of electric vehicles which has received government investment support for the electric vehicle assembly industry and related parts manufacturing industry, technological changes in the production of automotive parts towards lightweight products that is able to adjust to various shapes but still possessing the strength necessary for safety. Moreover, the digital technology development, the convenience program designed for mobile phone devices or mobile application that is providing data connection services, development of unmanned vehicles and the lifestyle of consumers who have less demand for private cars are also considered risks that may affect the company's operations.

The potential change may not have a significant impact on the company's operations in the short-term, as the technology is still in the early stages of development and is expected to take a long time before being introduced in terms of the development of electric vehicles. The company expects that the trend of increasing demand for electric vehicles will not significantly affect the company since automotive parts which are the main revenue of the company are front bumper, grille, light in the car, the body parts and other exterior accessories are still the main components of the car whether it is electric vehicles, hybrid cars or cars with conventional engines that use oil.

Nevertheless, the company is aware of the risk of long-term competitiveness and established a research and development department within the company to study the impact of future technology development and to support the growth of the company's main business whether it is technology for producing automotive parts, online trading and data connection technology.

1.2 Risk from competitiveness of automotive industry

The automotive parts industry has a high competition rate in the period of changing new models. The automotive parts manufacturers are competing to receive order from automobile manufacturing customers and the company sells car parts, which means the company's revenue guarantee for the remainder of the production life of that model. Therefore, the company has a risk of losing orders from customers to other automotive parts companies which will significantly affect the operations and the reputation of the company.

Although the company is the manufacturer of automotive parts that is considered as a major replacement parts manufacturer in Thailand with efficient operation standards and responsible to stakeholders, there is a possibility that the company will lose orders from customers will be in a level that may not occur, but the company has focused on maintaining good relationships with customers and maintain the standard of operation, delivery and product quality to give confidence and build trust from customers for the continuation of receiving orders for new models of cars as well as other replacement parts with more than 200,000 items.

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 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.

2.2. Risk on water management

In 2019, as a result of drought, from a climate change in many areas, 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.

2.3. Risk on labor problem

The company assesses the risk of labor problems due to a shortage of skilled labor and problems with the human resources department, which can have a significant impact on the production and delivery of products to customers, causing the company to lose credibility and cause disruption in the automotive industry.

Mitigation Measures:

The company recognizes the significance of its employees and is considered one of the important foundations of the organization. The company has supported the quality of life, compensation and welfare, and development of potential of all employees. The company is careful in the implementation and management of problems related to employees that is appropriate and not causing conflicts or disputes.

With the attention of management and good relations with employees, the possibility of labor disputes and the impact on operations is low. In addition, the company plans to use robots in Production process to replace and reduce the dependence on labor and increase production efficiency in the long term.

2.4. Risk on quality of product

Product quality standards are important for the automotive parts manufacturing and distribution business because the safety factors of automotive, the company gives an importance to maintain the excellent standards in manufacturing and deliver quality products to customers.

Mitigation Measures:

The company is certified and operates in accordance with IATF16949 quality control standards. The company aims to deliver zero-defect products to customers, including implementing the ISO14001 environmental management system, occupational health safety management system OHSAS18001, the energy management system ISO5001 used in management, thus ensuring that confidence can be built for customers and other interested parties.

There is also a measurement to create incentives and encourage employees to have awareness and understanding of quality, which ensures that the risk of quality is well managed and controlled. Moreover, the company has recorded accrued expenses related to work as per contracts with customers and has insured against damage from product recall in order to alleviate the financial impact that may occur from this risk.

2.5. Risk from relying on top management

The company assesses the possibility of risk from relying on the highest management and has established measurement to reduce the risk of corporate management and control risks, whereby the company has established an administrative structure by giving the executive authority and decision making to the professional managers of each company in business management and reporting to executives and the Board of Directors. The executives and the Board of Director has a role in providing advice and supporting business growth in accordance with the business strategy of the company. This decentralization helps to reduce the dependency of top management decisions and support the business to run efficiently and independently. Moreover, the company has set up a plan for development of capability and succession plans for important positions in the organization. The company also determine the necessary courses and training plans suitable for executives to develop potential employees to be ready for the role of supervisors or executives to support the company's growth.

2.6. Risk from safety, environment, and community issues

The company is aware of issues related to safety, environment, and society and surrounding communities. The company has implement policies and procedures to ensure good management of sanitation and safety of employees and in accordance with environmental laws and regulations.

Mitigation Measures:

The company creates awareness and sees importance to the safety of all employees and organized activities to create good knowledge about health and safety in the organization. The activities include safety week activity, which is to inspect and eliminate risk points to prevent accidents (Completely Check Completely Find Out or CCCF), 5S activities to create a safe, clean, and convenient and easy work environment, white factory project for drugs free in the workplace, scheduling machine maintenance equipment, and annual health checkup for employees. Furthermore, the company has initiated ongoing development activities and projects to reduce waste and energy usage, including the production of electric power for self-use from solar rooftop lighting, with an installed capacity of 1.99 megawatts and the use of LEDs everywhere in the company's factory to reduce electricity usage. The company has been certified with the environmental standards ISO14001 and occupational health safety standards OHSAS18001, which is a testament to the commitment and reliability in the management of safety and environment.

2.7. Risk on corruption

The company is aware of the risk of corruption and bribery from the lack of transparency, which will have a significant impact on operations and cause unnecessary expenses. The company is committed to conduct business with honesty, integrity and fairness, and has expressed its intention to fight all forms of corruption in organizations such as sales, service provision, procurement, employment, donation, support, giving or accepting entertainment or gifts. The company reviews work in accordance with operational procedures and provides annual



work inspections and is certified by the CAC in the last quarter of 4/2019. In addition, the company has set up a whistle blowing policy as a guideline and encourage employees and stakeholders to report any suspicions or behaviors that may be offensive or inappropriate, which may lead to corruption and inform directly to the Board of Directors for the company to take appropriate action.

3. Financial Risk

Even though in the year 2019, 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 2019, the debt to equity ratio was 0.67 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.

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 2019, the holdings of Tanadumrongsak's group accounted for 1,013,069,322.00 shares, which is 66.96% 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 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 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). 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

Shareholding Structure

1. The Number of Registered and Paid-up Capital

As at 31 December 2019, the company has registered capital of Baht 378,257,483.50 It is divided into ordinary share of 1,513,029,934 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 2019 as follows:

	Major Shareholders	# shares	% Shares
1.	Tanadumrongsak Group	1,013,069,322	66.96
	Mr. Sompol Tanadumrongsak	415,616,844	27.469
	Ms. Atchara Tanadumrongsak	138,504,900	9.154
	Mr. Yanyongchai Tanadumrongsak	108,460,000	7.168
	Mr. Somkit Tanadumrongsak	95,460,000	6.309
	Ms. Maleerat Tanadumrongsak	60,492,000	3.998
	Ms. Thanpicha Tanadumrongsak	43,621,578	2.883
	Mrs. Lawan Tanadumrongsak	36,254,000	2.396
	Mr. Apisit Tanadumrongsak	27,115,000	1.792
	Mr. Sangcharean Tanadumrongsak	27,115,000	1.792
	Mr. Apirath Tanadumrongsak	21,765,000	1.439
	Ms. Kocharath Tanadumrongsak	20,000,000	1.322
	Mr. Sangthavee Tanadumrongsak	10,665,000	0.705
	Mr. Sangchai Tanadumrongsak	8,000,000	0.529
2.	Mrs. Raweewan Mathong	86,768,000	5.735
3.	Mr. Surapol Piyatheerathitivorakul	54,052,700	3.572
4.	Fortune Parts Industry PLC.	40,000,000	2.644
5.	Mrs. Malee Jongsuvanit	14,263,400	0.943
6.	Mr. Kittipoch Jongsuvanit	10,322,500	0.682
7.	OCBC SECURITIES PRIVATE LIMITED	10,000,000	0.661
8.	Ms. Arporn Saeneepakornkrai	10,000,000	0.661
9.	Mr. Phisit Piphatwilaikul	8,700,000	0.575
10.	Mr. Veera Wongchaemcharoen	8,000,000	0.529
11.	Ms. Patsuda Vongved	7,927,275	0.517
12.	Ms. Jiranan Areemitr	7,822,250	0.524
13.	Ms. Chatnapa Tetanonsakul	7,598,200	0.502
14.	Others Shareholders	234,506,287	15.50
	Total	1,513,029,934	100.00



3. The Shareholders of the Company and their spouse

As at 31 December 2019 as follows:

	Director Name/Spouse	2017	2018	2019	+/(−)
1	Mr. Sompol Tanadumrongsak	315,044,844	415,616,844	415,616,844	No change
2	Mr. Somkit Tanadumrongsak	86,768,000	95,460,000	95,460,000	No change
3	Mr. Yanyongchai Tanadumrongsak	96,768,000	108,460,000	108,460,000	No change
4	Mrs. Raweewan Mathong	43,384,000	87,183,000	86,768,000	-415,000
5	Mr. Sangcharean Tanadumrongsak	21,692,000	27,115,000	27,115,000	No change
6	Mrs. Nussara Tanadumrongsak (Spouse)	678,500	678,500	778,500	+100,000
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 2019

- 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	2017	2018	2019
Interim Dividend	0.06	0.04	0.05
Annual Dividend	0.04	0.04	0.045
Earnings Per Share	0.15	0.09	0.13
Dividend payout ratio	67.71%	95.00%	72.85%



Report of

the Nomination and Remuneration Committee



Dear Shareholders,

In 2019, 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 2019'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 2019 as well as the Directors' bonus for the year 2019. 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 2019'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

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

3. Assessment of the Board of Directors' performance in 2019

- The Committee reviewed and adjusted all three assessment methods for the Board of Directors' performance in 2019, 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 2019 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 2019, the company has clearly specified compensation for 11 directors in remuneration, meeting allowances, and rewards which are accounted for Baht 4,157,698.68, in 2018: Baht 4,147,232.96 and in 2017: Baht 4,519,589.04 as follows

(Unit : Baht)

Name		2017	2018	2019	No. attend the meeting (Time)
1.* Mr. Por	Tanadumrongsak	270,000	-	-	-
2. Mr. Sangcharean	Tanadumrongsak	290,000	270,000	260,000.00	5/5
3. Mr. Sompol	Tanadumrongsak	290,000	280,000	260,000.00	15/15
4. Mr. Somkit	Tanadumrongsak	290,000	280,000	260,000.00	5/5
5. Mr. Yanyongchai	Tanadumrongsak	290,000	280,000	250,000.00	4/5
6. Mrs. Raweevan	Mathong	290,000	280,000	260,000.00	5/5
7. Mr. Naris	Chaiyasoot (Ph.D)	630,000	180,904.12	73,972.61	-
8. Mr. Anant	Gatepithaya	570,000	560,000	540,000.00	13/13
9. Mr. Pumipat	Sinacharoen	565,000	560,000	540,000.00	15/15
10. Mr. Suthanai	Prasertsan	421,835.62	626,328.84	618,164.42	15/15
11. Mr. Anantachai	Yoonprathom	406,835.62	550,000	530,000.00	13/13
12. Mrs. Nussara	Tanadumrongsak	205,917.80	280,000	260,000.00	11/11
13. Ms. Parichatara	Laotheerasirivong	-	-	205,561.65	6/9
Total		4,519,589.04	4,147,232.96	4,157,698.68	

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 2019 held on 22 April 2019, there was a resolution that the remuneration of directors for the year 2019 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 2019 will be paid based upon the business performance of the Company ended 31 December 2019 but will not exceed Baht 1,090,000. The company will propose to make such payment in the year 2020 upon obtaining an approval of the Annual General Meeting of Shareholders for the year 2020.
- The Audit Committee Meetings 4 times.
- The company held Board of Directors Meetings 5 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.



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

Type of remuneration	2017		2018		2019	
	No.	Amount	No.	Amount	No.	Amount
Salary	7	16,199	10	20,001	12	24,153
Bonus	7	3,831	10	2,600	12	3,485
Other Compensation	7	5,372	10	4,809	12	7,835
- Provident Fund						
- Social Security						
- Employee Benefit						
Total	7	25,402	10	27,410	12	35,473

Employee Compensation and Return Characteristics

As at 31 December 2019, the company has 937 employees (excluding 11 executives) which are composed from 389 permanent employees and 548 daily employees as the following details:

Department	Permanent (Employees)	Daily (Employees)	Total (Employees)
Production	131	400	531
Engineering	54	13	67
Quality Development	79	72	151
Finance & Account	13	-	13
Management	3	-	3
Purchasing	6	-	6
MIS	5	-	5
Sale & Marketing	20	-	20
Logistics	44	61	105
Sustainability Development	4		4
Business Development	3		3
Human Resource	27	2	29
Total	388	548	937

The Company has 937 employees in 2019. During the year, the company paid benefit to employees of Baht 205.65 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.

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,

Fortune Parts Industry Public Company Limited commits to conducting business with ethics and good corporate governance. This consists of having a board of directors and executives with knowledge, vision and responsibility for the duty, control and balance mechanisms to make the management transparent, verifiable, respecting the rights, equality of shareholders and responsibility to all groups of stakeholders. This is the significant factors to increase value and maximize benefit to the shareholders of the company in the long run. The company has determined various policies regarding corporate governance, especially the policy on corporate governance and business ethics, which has principles and practices in line with the good corporate governance principles of the Securities and Exchange Commission Recommendations from the Thai Institute of Directors (IOD) and other relevant criteria. The company announced and communicated with all directors, executives and staff to acknowledge

and adhere in the operation as a guidelines. Also, review various policies regarding corporate governance every year to ensure that the policies are always suitable for the situation and business operations of the company.

In 2019, 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, in 2019, FPI's AGM has been awarded a perfect score of 93 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 2019's AGM from 31 October 2019 to 31 December 2019.

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



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

1. The Committee approved the Corporate Governance and the Corporate Compliance Plans for 2019 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 2019 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 2019 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, business ethics and measures to resist corruption, as well as, applying for the Private Sector Collective Action Coalition Against Corruption Program (CAC in Quarter 4/2019. The company received certificate CAC AWARD 2020 from IOD on Wednesday 18 March 2020.

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.

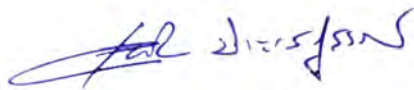
3. The Committee reviewed and enhanced the 2019 Board Performance Assessment Questionnaire in accordance with present circumstances, the CG Code and other global standards.

4. The Committee reported its performance and the results of its 2019 individual and group

performance assessments to the Board of Directors for their acknowledgement.5. The Committee reviewed and updated its charter in accordance with FPI's current business context and the CG Code.

The Corporate Governance Committee has placed much importance on the role it plays in ensuring that 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.

In 2019, the Corporate Governance Committee performed their duties completely in accordance with the Corporate Governance Committee Charter (CG) and Thai Institute of Directors Association as well as international guidelines to comply with various criteria such as the ASEAN CG Scorecard and developed the corporate governance of the company as follows;

1. Received evaluation of the Annual General Meeting of shareholders from Thai Investors Association, 93 points
2. Received evaluation in Corporate Governance Reporting: (CGR) listed company that received a score of "very good" for the year 2019 from the Thai Institute of Directors (IOD).
3. Sustainability Performance
 - The Prime Minister's Industry Award 2019: Category: Industry Potential by the Ministry of Industry
 - SET Outstanding Sustainability Awards 2019: Category: Company listed on the mai stock market, Industrial product groups
 - Highly Recommended in Sustainability Excellence in SET Awards 2019
 - Sustainability Disclosure Awards 2019 Following international standard of GRI Standards from Thaipat Institute
 - Became a member of the Collective Action Coalition (CAC) and certified in the 4th quarter of 2019 from the Thai Institute of Directors
4. Environment Management Performance
 - Green Office 2019: Excellent (G Silver) from Ministry of Natural Resources and Environment, Department of Environmental Quality Promotion.



- Eco Label- Carbon Footprint from operations that the company can reduce greenhouse gas emissions which is the CFO, CFP, CFTR label and compensate zero greenhouse gas emissions from open events “FPI Green Scenery” from TGO, and Water Footprint from Water sustainability institution.

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 right 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

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 a conflict of 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. Request 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 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 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 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 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 2019, 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 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 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.

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.

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. The company set up the form of KPIs for organizations that measure business growth, profits and resource usage / production units. Moreover, the company has adopted the target as a basis for evaluating the performance of management and employees in the organization at all levels for all employees to participate.

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 2019 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 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 2019

Board of Directors consisting of 11 directors who have experienced, professional skills and specialized expertise from a variety of professional fields. Those people are;

5 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 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 2019, the Board of Directors Meeting was conducted 5 times: the Annual General Meeting of Shareholders 1 time. Directors of the board of directors attended every meeting which is representing an average of 98.48 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 (Table shown the participation of director and subcommittee is presented in organizational structure section).

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



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.

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.

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 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 and 56-1.

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 Board of Directors' Meeting

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 7 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.

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. (Table shown the participation of director and subcommittee is presented in organizational structure section).

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)

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

The company and its associated companies set strategies to meet the business objectives and in line with the long-term strategy of the company before presenting to the board of directors for approval with the company's executive committee and department manager.



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 2019, 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 qualification of the sub-committees are appropriate and work effectively
2. Sub-committee 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:

The assessment of the managing director, **an average score of 94.33 is excellent.**

Topic of the assessment

1. Leadersh	Average score 95.58
2. Strategy formulati	Average score 89.58
3. Compliance with the strate	Average score 93.75
4. Planning and financial performan	Average score 94.79
5. Relationship with the Board of Directo	Average score 92.71
6. External relatio	Average score 98.75
7. Administratio and relationship with personnel.	Average score 94.79
8. Successio	Average score 85.42
9. Knowledge of products and servic	Average score 100.00
10 Personal characteristics	Average score 95.83

Additional comments / remarks from the assessment the scores of all categories are high. The managing director is outstanding regarding knowledge and ability in business, especially knowledge of products and services and relationships with external personnel at an excellent level. However, in some categories need to be improved, such as succession as the company must clearly specify the guidelines to create a representative / successor because the level of knowledge and competence of the current CEO is at a high level and greatly affects the business operations.

Board of Directors

In 2019, 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) for the year 2019; average score 93.41 at an excellent level

Topic

1. Structure and qualification of the Board of Directors	Average score 94.87
2. Role/duty/responsibility of the Board of Directors	Average score 90.72
3. Meeting of the Board of Directors	Average score 94.44
4. The duties of directors	Average score 97.02
5. Relationship with the management	Average score 99.17
6. Self-development of individual and management	Average score 89.58

Additional comments / remarks from the assessment the scores of all categories are high, especially in relationship with the management and the board of director sees the importance of the duties of directors who have a role to manage the organization as well as plays an important part in driving corporate strategy and goals to achieve the plan set forth.

2. Performance evaluation of individual director (self)

The question consists of 3 main categories:

1. Compliance with ethics and business ethics	Average score 95.83
2. Responsibility for performing duties	Average score 93.75
3. Self-development and teamwork	Average score 95.83

Additional comments / remarks from the assessment The Board of Directors recognizes the importance of the roles and responsibilities of the directors and should improve the arrangement of the board meeting. The supporting documents must be complete and sufficient for consideration.

3. Results of sub-committee self-assessment for the year 2019

3.1 The Executive Committee an average score of 88.43 at an excellent level.

Topic

Structure and qualification of director	Average score 85.71
Directors' Meeting	Average score 91.67
Able to effectively carry out the policy assigned by the Board	Average score 87.50
Supervise and approve matters relating to the company's normal operations according to the authority that the company's board assigned	Average score 91.97
Efficiently supporting the operations of the management	Average score 87.50
Report performance to the board to acknowledge	Average score 87.50

Additional comments / remarks from the assessment the executive board reviews the strategy and goals of the organization in a timely manner to provide business with stability, sustainability, including stipulating control measures Inside-outside efficiently.

3.2 Audit Committee an average score of 95.71 at an excellent level

Topic

The suitability of the structure which lead to the efficiency of the board's work	Average score 92.85
Board meeting / efficiency of the meeting	Average 90.83
Accurate and reliable financial statements	Average 100
Act in accordance with laws and regulations	Average 100
Good internal audit system	Average 90
Connected transactions and transactions with conflict of interest and benefits according to the rules	Average 95
Give an opinion on appointment and removing head of internal audit	Average 95
Consider selection, appointment, remove and proposed the remuneration of the auditor	Average 95
Appropriately provide a process for handling complaints	Average 95

Additional comments / remarks from the assessment The Audit Committee gave importance to the accuracy and credibility of the financial statements and compliance with laws and regulations.

3.3 Nomination and Remuneration Committee an average score of 91.67 at an excellent level

Topic

The suitability of the structure which lead to the efficiency of the board's work	Average score 92.85
Board meeting / efficiency of the meeting	Average 90.28
Qualifications of directors or senior management comply with regulations and business type	Average 91.67
Appropriately consider and summarize names to present to the board of directors for consideration	Average 91.67
Continuously plan for training and development of the director	Average 91.67
Consider the remuneration of directors and senior management for the compensation, which is monetary and not monetary	Average 91.67
Methods and criteria for determining fair remuneration such as comparing the compensation of businesses in the same industry	Average 91.67

Additional comments / remarks from the assessment Nomination and Compensation Committee gives priority to the development of the capability of directors and executives, especially following crucial news about economic and industrial conditions, regulatory changes and technology.

3.4 Corporate Governance Committee an average score of 87.96 At quite excellent level

Topic

The suitability of the structure which lead to the efficiency of the board's work	Average score 88.10
Board meeting / efficiency of the meeting	Average 87.50
Propose good corporate governance practices to the Board of Directors and give advice to the board	Average 91.67
Ensure that directors and management comply with the principles of good corporate governance	Average 91.67
Set up Corporate Social Responsibility: CSR policy and monitor to appropriately operate	Average 91.67
Set the framework and action to resist corruption	Average 83.33

Additional comments / remarks from the assessment the Corporate Governance Committee see the importance of good corporate governance of directors and management following the principles of good corporate governance, which sets policies and practices on governance, society, communities and the environment.

3.5 Risk Management Committee an average score of 85.94 At quite excellent level

Topic

The suitability of the structure which lead to the efficiency of the board's work	Average score 84.82
Board meeting / efficiency of the meeting	Average 89.58
Supervise and carry out risk management of the organization in accordance with the strategic plan, business goals and the changing circumstances	Average 90.33
Provide recommendations, follow-up and evaluation of risk management to Risk Management and Internal Control Committee	Average 78.13
Consider the risks that may occur and effectively establish risk control measurement	Average 78.13
Report the result of the performance to the board of director	Average 87.50

Additional comments / remarks from the assessment Risk Management Committee sees the importance of supervision and implementation of risk management of the organization in accordance with the strategic plan, business goals and the changing circumstances.

3.6 Anti-Corruption Working Group an average score of 86.07 at quite excellent level

Topic

The suitability of the structure which lead to the efficiency of the board's work	Average score 88.10
Board meeting / efficiency of the meeting	Average 89.58
Supervise and take action against the corruption in the company to be consistent principles of good corporate governance	Average 83.33
Give suggestions for guidelines to monitor and evaluate anti-corruption to the Risk Management and Internal Control Committee	Average 83.33
Consider the risk of corruption that may occur and establish effective risk control measurement	Average 86.11
Promoting anti-corruption operations in which all employees are involved	Average 83.33
Report the result of the performance to the board of director	Average 83.33

Additional comments / remarks from the assessment the anti-corruption group sees the importance of consideration of the risk of corruption that may occur and establish effective risk control measurement. The group establishes measurement to effectively control risks, promote and support anti-corruption operations in which all employees are involved.

3.7 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
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 2019, the company appointed one 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.

3.8 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's 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 company in accordance with the requirements of laws, rules, regulations, relevant 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 (The appointment and qualifications of the secretary are shown in the management structure section).



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. Guidelines for appointment of directors are as follows;

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.

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, 2019, there are 4 independent directors from the total number of 11 directors. There are 45.45 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 (The definition of independent director is shown in organization structure).

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.

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 2019 Directors' remuneration Executives and employees Already reported on the topic Remuneration for directors, executives, employees)



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 stakeholde

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 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 that is centered in 5 areas:

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

For the customer satisfaction survey in 2019, 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 2019 showed that the average satisfaction of 72.52% 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 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.

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 principle

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.



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 2019, 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 (Whistleblow 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)

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.saryuht@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

Channel 1 The Company's Audit Committee

Mr. Sutanai Prasertsan Tam.prasertsan@gmail.com

Mr. Anan Ketpittaya gatepithaya@gmail.com

Mr. Bhumipat Sincharoen pumipatsina@gmail.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.saryuht@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;

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 2019, 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, 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 or 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.



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 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.

4. The Board will ensure that the company prepares 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
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. Facilitate 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 2019, 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 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 immediately disseminated in system of the SET.

2. The Annual General Meeting of Shareholders for 2019 held on Tuesday 22 April 2018 at 14.00 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 2019. The company announced the criteria for nominating persons and specify the clear steps. The nomination period was between 31 October 2018 and 31 December 2018, 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 2019, 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 21 February 2019. It was resolved to set the date of the 2019 Annual General Meeting of Shareholders on Tuesday, 22 April 2018 and also informed the date of the right to Shareholders attending the meeting (Record date) on March 15, 2019 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 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 22, 2019 at 14.00 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 2019'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 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 2019, there were a total of 38 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 2019 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 <https://www.fpiautoparts.com/ir> to allow the shareholders to be able to check from the continuous development and improvement of the shareholders' meeting in 2019, the company received the assessment results of the 2019 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 2019, 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 2019" at the company's office. Shareholders meet with executives, listen to the business information, visit the factory location of the company on December 25, 2019. In addition, they also met with shareholders through various activities, such as

1. Analyst Meeting 1 time
2. Site Visit 5 times or Company Visit
3. Opportunity Day of Stock Exchange of Thailand 2 times
4. Interview the company's management with domestic newspaper 6 times
5. Earning Release 5 times (If including news, opening business plans and analysis news will be 8 times)





Corporate Social Responsibility

Sustainable Business Development Policy



The company has prepared a sustainability report. The details are separate from this annual report which can be downloaded by scanning this QR Code and selecting the item **Sustainability Report 2019**.

The company 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). 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 Corporate Governance

Operate business with transparency and morality under the framework of good corporate governance, risk management and new risks occurring in the future, compliance with various requirements and business ethics, have social responsibility, environment and taking into account the interests of all stakeholders.

Responsible for business operations

Use resources that are worthwhile and suitable for the size of the business such as plastic resins, energy, water, chemicals, according to the target objectives by reducing waste, reuse, use raw materials / equipment, and recycle waste / waste. Continuously throughout the product life cycle.

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.

Creating sustainable return on investment

Create business innovations and social innovations to create value added based on ecological excellence to increase the return on investment as well as balancing economic, social, and environmental conditions.



Promoting human rights according to international principles

Applying fairness principles to treat all employees with equality, provide opportunities for all employees to have equal rights to work, no discrimination, not separate ethnicity, religion, gender, age, skin color, education, nationality, and do not use child labor.

Managing sustainable environment and energy

Manage the impacts of climate change and manage energy, water, biodiversity, waste management by using technology and innovation to prevent, control, and reduce negative impacts to minimum level to the environment and energy from normal business operations throughout the product life cycle.

Creating social participation

Create valuable work and economic growth through the products that are safe and environmentally friendly.

Value for money throughout the product lifetime as well as developing the capability of employees, business partners, business alliances, and disclosing sustainability operations in accordance with international standards.

Developing environmentally friendly product

Design products and develop environmental friendly in production processes to reduce the amount of waste caused by the production process by using materials that can be reused and recycled, which leads to creating a low-carbon society through sustainable consumption and production.

Organizations with excellent ecological operations

Systematic development of operations in increasing the ability to compete internationally by focusing on the development of business resources, product and service development, information system development, human resource development, occupational health and safety development, energy development and sustainable environment.

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.



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Economics

Innovation Enhance industrial potential through innovation and technology

Risk and opportunity management
Automatically create culture, respond to opportunities and risks

Business performance and business growth Sustainable economic growth and environmentally

Customer Relationship Management
Create engaging and responding to customer needs.

Value chain management
Development value chain to enhance the competitiveness of businesses.

Business Continuity Management
To manage the **long-term** business impact and risk management

Social

Environment and safety work
Environment and safety in the workplace.

Participation and community development.
Community development and create jobs for people in sustainable communities

Personnel Development
Development of human capital in career growth and specialization of **valuable work**

Motivating and retaining talented people.
Maintain and develop the high potential in the long term.



Environment

Effective utilization of resources
Promoting sustainable production and consumption

Water management
water management integration of both quantity and quality.

Energy Management
Developing new energy that is sustainable using renewable energy

Greenhouse gas management
Developed into low carbon organization based on scientific basis (SBTi)

Waste and contamination Management
Reduce waste and maximize use of resources throughout the value chain.

Product Responsibility Enhance product safety throughout the process.

Corporate Governance

Corporate governance and code of Business conduct

Operates with transparency and ethical responsibilities to stakeholders.

Treat workers with fairness and human rights.

Treat employees with equality, equal rights in the operation carried out in compliance with international standards



Report of

Risk Management Committee



Dear Shareholders,

In doing today's business, there are both internal and external incidents that the company is facing, which could impact the company's objectives. The company

commits to operate to achieve its goals by covering risk management in operation, financial and compliance with relevant regulations. For the management of business risk with clear directions and in line with business strategies and goals under the framework of good corporate governance, the company's risk management committee has reviewed the control processes in accordance with the operational quality standards, assessed the risks and appropriateness of the risk management policy.

The company considers reference to changes in business operations and the possibility of events that may cause risk factors to the organization to specify measures to control and reduce the likelihood of risk factors or risk impacts to an acceptable level.

Risk Management Committee has the role to monitor and manage the organizational risk following the responsibilities and accountabilities assigned by the Board of Directors. In 2019, 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. Set up the evaluation of operational risk 2 times per year by the management of each department in the organization to investigate the existing risk in the company and issue the plan to improve, solve and control the risks, as well as set up a plan to manage the risk.

2. Set up research and development department in the company to study the impact of technology in the future and support the growth of the primary business whether it is technology for producing automotive parts.

The company plans to use robots in production process to replace and reduce dependence on labor and increase production efficiency in the long run, online trading and data connection technology.

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 2019 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



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 1/2020 on 24 February 2020, the committees including five people participated in the meeting. The committees assessed the company's internal control system for the year 2019 by following the 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. Accordingly, the 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 conserve the company's assets from the authority 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 defined 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 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 oversee the appropriateness, effectiveness, and efficient of FPI's risk management as following details;

1. Objective Setting

The company has 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

Each of the management 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 significant of the existing risk by assessing from the likelihood and the impact of the risk. The company also assess the opportunity to improve in which each departments will chose and propose the measure of improvement. The company has defined the risk assessment in every six months. If it has high risk or it need to be improved, it will be reported to the risk management committee for consideration and immediately find out the solution. The risk management committee will report to another committees in every quarter for effective improvement.



4. Risk Response

The company will response 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.

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.

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 and giving knowledge in operations. Moreover, FPI has provided a lot of communicate channel for stakeholders such as Website, Electronic mail of company. There has department that is directly take responsibility and regularly reveal the important information for stakeholders.

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

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



5. Monitoring Activities

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

FPI evaluates sufficiency of corporate's internal control system on an annual basis. In addition, FPI has implemented Control Self-Assessment to evaluate internal control mechanisms at process level. The adequacy and appropriateness of Control Self-Assessment results will be verified by the VRIA Co., Ltd., the internal auditor, 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 2019, 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 2019, 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

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 2019 and 31 December 2018. 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 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 2019	31 December 2018	
Sangthong Auto Partsworld Co., Ltd.	Sales	49,718	52,070	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.
	Trade Receivable	17,487	25,521	
Company owned by related person of the company's management				
Sangthong Auto Partsworld Co., Ltd.	Purchases of Goods	32,301	37,892	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.
	Trade Payable	6,399	5,602	
Company owned by related person of the company's management				
United Auto Co., Ltd. (Previous name: Tongfong Automobile (Thailand) Co., Ltd.)	Sales	-	-	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.
	Trade Receivable	-	6,225	
Company owned by related person of the company's management				
EMP Innovation Co., Ltd. (Previous name: United Engine Co., Ltd.)	Sales	-	-	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.
	Trade Receivable	1,727	6,472	
Company owned by related person of the company's management				
ALP FPI PARTS PRIVATE LIMITED	Sales	10,511	17,387	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.
	Trade Receivable	1,467	6,642	
Joint Venture				
ALP FPI PARTS PRIVATE LIMITED	Other Receivable	451	26	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.
Joint Venture				

Safe Energy Holdings Co., Ltd.	Other Receivable	31,591	35,496	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.
	Interest	1,173	291	
Joint Venture	Receivable			
ALP FPI PARTS PRIVATE LIMITED	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.
Joint Venture				
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA	Other Payable	7,776	8,361	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.
Joint Venture				
Fortune Box Industry Co., Ltd.	Sales	23	23	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.
	Trade Receivable	4	2	
Company owned by related person of the company's management				
Fortune Box Industry Co., Ltd.	Purchase of Goods	27,472	27,340	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.
	Trade Payable	8,699	5,210	
Company owned by related person of the company's management				
S.C.G. Industry Co., Ltd.	Purchase of Goods	1,195	1,310	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.
		113	663	
Common director and shareholding	Trade Payable			
S.C.G. Industry Co., Ltd.	Services	112	5	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				
Imperial Cable Industry Co., Ltd.	Sales	-	-	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
	Trade Receivable	-	-	
Common shareholding				

				Committee and approved by the Board of Directors.
Imperial Cable Industry Co., Ltd.	Purchase of Goods	171	11	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	Trade Payable	78	-	
K-Mart Service Co., Ltd.	Oil and Gas	71	280	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	Other Payable	-	48	
S C G Hatairath Co., Ltd.	Oil and Gas	318	343	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	Other Payable	66	55	
Super Central Gas Co., Ltd.	Service fees	32	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	Other payable	35	34	

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.



Fortune Parts Industry Public Company Limited



Report and financial statements
31 December 2019



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 2019 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. Sangcharean Tanadumrongsak)
Vice Chairman

(Mr. Sompol Tanadumrongsak)
Chief Executive Office



Report of the Audit Committee



Dear Shareholders,

The Audit Committee consists of five independent directors who are experienced in the fields of management, finance, accounting, and economics. 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, Mr. Anantachai Yoonprathom, and Ms. Parichatara Laotheerasirivong. 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 2019, the Audit Committee held a total of four meetings. The Audit Committee, Mr. Suthanai Prasertsan, Mr. Anant Gatepithaya, Mr. Pumipat Sinacharoen, Mr. Anantachai Yoonprathom and Ms.Parichatara Laotheerasirivong attended all five. 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 2019, as well as any transactions that could have led to a conflict of interest. The reviews were attended by related members of management and auditor, to give explanations and clarify any questions that arose related to the accuracy, completeness, significant adjusted entries that affected the financial statements, sufficiency of the information disclosure, and audit results. The Audit Committee has opinion that FPI's financial reports present fairly in all material respect in accordance with Thai Financial Reporting Standards. In addition, the meeting between the Audit Committee and auditors without the presence of management was held to make independent discussion on the preparation process of financial statement and reporting, namely the auditor's annual audit plan and framework, risks, internal control, internal audit, allegation, fraud, and other related issues. The Audit Committee realized that auditor received good cooperation and supported from management, independently performed his duties with sufficient knowledge, experience and appropriate audit approach.

2. Review of Risk Management

The Board of Directors, the Risk Management Committee, and management in general 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 VRIA 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 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 related parties transaction of purchase of raw material/service and sales. 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 2019

The Audit Committee selected, appointed and considered the remuneration of auditors in 2019, which is based on the performance of the previous year of the auditors according to the company evaluation criteria which are their qualifications, independence, quality and standard of work. The auditor is qualified according to the announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand. Therefore, the audit committee proposed to appoint EY Office Limited as the company's auditor for the year 2019

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 2019's auditor: Miss Manee Ratanabunnakit, C.P.A. License No. 5313 or Miss Kosum Chaeam, C.P.A. License No. 6011 or Mr. Termpong Opanakun, C.P.A. License No. 4501 or Mrs. Kunlapee Piyawannasud, C.P.A. License No. 6137 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 2019, 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 to all employees' level. Also, the company is certified by CAC in the 4th quarter of 2019.

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 financial statements of Fortune Parts Industry Public Company Limited is correct, reliable and in accordance with generally accepted accounting principles. The company operates under risk management and internal control system that is effective and adequate.

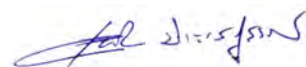
In addition, the Audit Committee has reviewed the Charter of the Internal Audit Department to ensure its suitability and consistency with the responsibilities of the Internal Audit Department as the Charter would be used as operational guidelines. This will also raise awareness of the importance of corporate 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 2019, a total of four reports were made.

From the above-mentioned activities throughout 2019, 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 2019 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



Independent Auditor's Report

To the Shareholders of Fortune Parts Industry Public Company Limited

Opinion

I have audited the accompanying financial statements in which the equity method is applied of Fortune Parts Industry Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2019, 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 2019, 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.

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 matters are described below.

Revenue recognition

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

I have examined the revenue recognition of the Company by

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

Inventory

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

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

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.

- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

Accounts receivable

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

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

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

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

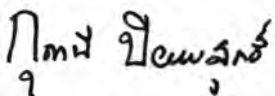
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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



Kunlapee Piyawannasuth

Certified Public Accountant (Thailand) No. 6137

EY Office Limited

Bangkok: 24 February 2020

Statement of Financial position

Fortune Parts Industry Public Company Limited

As at 31 December 2019

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	184,887,939	87,940,212	184,887,939	87,940,212
Trade and other receivables	6,8	733,675,759	678,062,472	733,675,759	678,062,472
Inventories	9	406,871,297	434,605,040	406,871,297	434,605,040
Other current assets		34,853,775	47,739,891	34,853,775	47,739,891
Total current assets		1,360,288,770	1,248,347,615	1,360,288,770	1,248,347,615
Non-current assets					
Investments in joint ventures	10	299,920,721	294,157,879	322,226,214	300,176,214
Property, plant and equipment	11	1,079,575,823	1,002,744,808	1,079,575,823	1,002,744,808
Intangible assets		3,450,087	650,032	3,450,087	650,032
Deferred tax assets	21	14,193,176	6,682,116	14,193,176	6,682,116
Other non-current assets		641,700	887,600	641,700	887,600
Total non-current assets		1,397,781,507	1,305,122,435	1,420,087,000	1,311,140,770
Total assets		2,758,070,277	2,553,470,050	2,780,375,770	2,559,488,385

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 2019

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	12	583,226,239	378,114,460	583,226,239	378,114,460
Trade and other payables	6,13	294,648,531	274,470,533	294,648,531	274,470,533
Current portion of long-term loans	14	98,218,439	93,999,012	98,218,439	93,999,012
Income tax payable		30,322,775	7,299,737	30,322,775	7,299,737
Short-term provision	15	2,190,209	2,046,238	2,190,209	2,046,238
Other current liabilities		16,704,614	18,651,134	16,704,614	18,651,134
Total current liabilities		1,025,310,807	774,581,114	1,025,310,807	774,581,114
Non-current liabilities					
Long-term loans, net of current portion	14	89,773,854	84,173,440	89,773,854	84,173,440
Provision for long-term employee benefits	16	27,424,435	17,214,255	27,424,435	17,214,255
Total non-current liabilities		117,198,289	101,387,695	117,198,289	101,387,695
Total liabilities		1,142,509,096	875,968,809	1,142,509,096	875,968,809

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	
		2019	2018	2019	2018
Shareholders' equity					
Share capital	17				
Registered					
1,513,029,934 ordinary shares of Baht 0.25 each		378,659,542	378,659,542	378,659,542	378,659,542
(2018: 1,514,638,167 ordinary shares of Baht 0.25 each)					
Issued and fully paid-up					
1,513,029,934 ordinary shares of Baht 0.25 each		378,257,484	378,257,484	378,257,484	378,257,484
Share premium		745,079,451	745,079,451	745,079,451	745,079,451
Treasury shares	18	(102,984,446)	-	(102,984,446)	-
Retained earnings					
Appropriated - statutory reserve	19	39,573,191	39,573,191	39,573,191	39,573,191
Appropriated - treasury shares reserve	18	102,984,446	-	102,984,446	-
Unappropriated		475,164,044	526,118,859	474,956,548	520,609,450
Other components of shareholders' equity		(22,512,989)	(11,527,744)	-	-
Total shareholders' equity		1,615,561,181	1,677,501,241	1,637,866,674	1,683,519,576
Total liabilities and shareholders' equity		2,758,070,277	2,553,470,050	2,780,375,770	2,559,488,385

The accompanying notes are an integral part of the financial statements

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Directors

Income statement

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2019

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales		2,054,657,761	1,891,782,047	2,054,657,761	1,891,782,047
Service income		821,258	1,097,658	821,258	1,097,658
Export incentive		-	9,336,674	-	9,336,674
Gain on exchange rate		1,005,251	-	1,005,251	-
Other income		16,703,789	17,518,953	16,703,789	17,518,953
Total revenues		2,073,188,059	1,919,735,332	2,073,188,059	1,919,735,332
Expenses					
Cost of sales		1,647,248,933	1,571,713,606	1,647,248,933	1,571,713,606
Cost of services		582,416	797,979	582,416	797,979
Selling and distribution expenses		58,302,058	53,233,588	58,302,058	53,233,588
Administrative expenses		109,935,931	128,114,473	109,935,931	128,114,473
Allowance for doubtful accounts		7,384,073	5,286,428	7,384,073	5,286,428
Allowance for diminution in value of inventories (reversal)		630,390	(15,065,885)	630,390	(15,065,885)
Total expenses		1,824,083,801	1,744,080,189	1,824,083,801	1,744,080,189
Profit before share of loss from investments in joint ventures, finance cost and income tax expenses		249,104,258	175,655,143	249,104,258	175,655,143
Share of loss from investments in joint ventures	10.3	(5,301,913)	(3,529,303)	-	-
Profit before finance cost and income tax expenses		243,802,345	172,125,840	249,104,258	175,655,143
Finance cost		(20,726,014)	(26,686,723)	(20,726,014)	(26,686,723)
Profit before income tax expenses		223,076,331	145,439,117	228,378,244	148,968,420
Income tax expenses	21	(36,286,402)	(19,888,871)	(36,286,402)	(19,888,871)
Profit for the year		186,789,929	125,550,246	192,091,842	129,079,549
Earnings per share	22				
Basic earnings per share					
Profit for the year		0.13	0.09	0.13	0.09

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 2019

(Unit: Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Profit for the year		186,789,929	125,550,246	192,091,842	129,079,549
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Share of other comprehensive income from investments in joint ventures	10.3	(10,985,245)	(11,527,744)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(10,985,245)	(11,527,744)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	16	(1,074,820)	-	(1,074,820)	-
Less: Income tax effect	21	214,964	-	214,964	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(859,856)	-	(859,856)	-
Other comprehensive income for the year		(11,845,101)	(11,527,744)	(859,856)	-
Total comprehensive income for the year		174,944,828	114,022,502	191,231,986	129,079,549

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 2019

(Unit: Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	223,076,331	145,439,117	228,378,244	148,968,420
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	211,461,534	214,108,368	211,461,534	214,108,368
Allowance for doubtful accounts	7,384,073	5,286,428	7,384,073	5,286,428
Reduction of inventory to net realisable value (reversal)	630,390	(15,065,885)	630,390	(15,065,885)
Gain on sales of equipment	(5,377,562)	(7,020,441)	(5,377,562)	(7,020,441)
Share of loss from investments in joint ventures	5,301,913	3,529,303	-	-
Short-term provision	612,826	825,281	612,826	825,281
Provision for long-term employee benefits	9,250,629	3,365,977	9,250,629	3,365,977
Unrealised loss (gain) on exchange	1,668,777	(23,102)	1,668,777	(23,102)
Interest expenses	16,049,212	22,282,395	16,049,212	22,282,395
Profit from operating activities before changes in operating assets and liabilities	470,058,123	372,727,441	470,058,123	372,727,441
Operating assets decrease (increase)				
Trade and other receivables	(79,466,704)	36,464,700	(79,466,704)	36,464,700
Inventories	27,103,354	10,185,745	27,103,354	10,185,745
Other current assets	12,886,116	14,959,972	12,886,116	14,959,972
Other non-current assets	245,900	(237,900)	245,900	(237,900)
Operating liabilities increase (decrease)				
Trade and other payables	10,828,717	(2,298,898)	10,828,717	(2,298,898)
Other current liabilities	(1,047,034)	(4,729,209)	(1,047,034)	(4,729,209)
Cash paid for short-term provision	(468,855)	(2,368,441)	(468,855)	(2,368,441)
Provision for long-term employee benefits	(115,269)	-	(115,269)	-
Cash flows from operating activities	440,024,348	424,703,410	440,024,348	424,703,410
Cash paid for income tax	(20,559,460)	(16,663,820)	(20,559,460)	(16,663,820)
Net cash flows from operating activities	419,464,888	408,039,590	419,464,888	408,039,590

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 2019

(Unit: Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash paid for investments in joint ventures	(22,050,000)	(21,825,000)	(22,050,000)	(21,825,000)
Acquisition of plant and equipment and payment of payables for purchase of equipment	-295,835,294	(221,914,455)	(295,835,294)	(221,914,455)
Acquisition of intangible assets	(3,500,119)	(90,100)	(3,500,119)	(90,100)
Proceeds from sale of equipment	27,552,527	27,915,984	27,552,527	27,915,984
Net cash flows used in investing activities	(293,832,886)	(215,913,571)	(293,832,886)	(215,913,571)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	205,111,779	(600,726,829)	205,111,779	(600,726,829)
Cash receipt from long-term loans	128,514,505	127,331,215	128,514,505	127,331,215
Repayment of long-term loans	(109,451,126)	(106,985,522)	(109,451,126)	(106,985,522)
Cash paid for interest expenses	(15,974,545)	(22,213,306)	(15,974,545)	(22,213,306)
Dividend paid	(133,900,442)	(113,976,874)	(133,900,442)	(113,976,874)
Acquisition of treasury shares	(102,984,446)	-	(102,984,446)	-
Cash receipt from share subscriptions as warrants exercised	-	353,248,250	-	353,248,250
Net cash flows used in financing activities	(28,684,275)	(363,323,066)	(28,684,275)	(363,323,066)
Net increase (decrease) in cash and cash equivalents	96,947,727	(171,197,047)	96,947,727	(171,197,047)
Cash and cash equivalents at beginning of year	87,940,212	259,137,259	87,940,212	259,137,259
Cash and cash equivalents at end of year	184,887,939	87,940,212	184,887,939	87,940,212
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Undue installments for asset purchases	12,970,140	3,669,451	12,970,140	3,669,451
Outstanding receivable from sale of assets	368,528	5,010,231	368,528	5,010,231
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.



Statement of changes in shareholders' equity

Fortune Parts Industry Public Company Limited

For the year ended 31 December 2019

(Unit: Baht)

Financial statements in which equity method is applied

	Other component of shareholders' equity								
	Retained earnings						Share of other comprehensive income from investments in joint ventures	Total other components of shareholders' equity	Total shareholders' Equity
	Appropriated			Unappropriated					
	Statutory reserve	Treasury shares/reserve	Advance from share subscription						
Issued and paid-up share capital	Share premium	Treasury shares	Advance from share subscription	Statutory reserve	Treasury shares/reserve	Unappropriated	Share of other comprehensive income from investments in joint ventures	Total other components of shareholders' equity	Total shareholders' Equity
Balance as at 1 January 2018	317,004,240	316,306,745	-	136,777,700	39,573,191	-	514,545,487	-	1,324,207,363
Profit for the year	-	-	-	-	-	-	125,550,246	-	125,550,246
Other comprehensive income for the year	-	-	-	-	-	-	-	(11,527,744)	(11,527,744)
Total comprehensive income for the year	-	-	-	-	-	-	125,550,246	(11,527,744)	114,022,502
Additional ordinary shares issued	61,253,244	428,772,706	-	(136,777,700)	-	-	-	-	353,248,250
Dividend paid (Note 23)	-	-	-	-	-	-	(113,976,874)	-	(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
Balance as at 1 January 2019	378,257,484	745,079,451	-	-	39,573,191	-	526,118,859	(11,527,744)	1,677,501,241
Profit for the year	-	-	-	-	-	-	186,789,929	-	186,789,929
Other comprehensive income for the year	-	-	-	-	-	-	(859,856)	(10,985,245)	(11,845,101)
Total comprehensive income for the year	-	-	-	-	-	-	185,930,073	(10,985,245)	174,944,828
Additional ordinary shares issued (Note 18)	-	-	(102,984,446)	-	-	-	-	-	(102,984,446)
Dividend paid (Note 23)	-	-	-	-	-	-	(133,900,442)	-	(133,900,442)
Transferred unappropriated retained earnings to treasury shares reserve (Note 18)	-	-	-	-	-	102,984,446	(102,984,446)	-	-
Balance as at 31 December 2019	378,257,484	745,079,451	(102,984,446)	-	39,573,191	102,984,446	475,164,044	(22,512,989)	1,615,561,181

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 2019

(Unit: Baht)

Separate financial statements

	Retained earnings							Total shareholders' equity
	Appropriated				Unappropriated			
	Issued and paid-up share capital	Share premium	Treasury shares	Advance from share subscription		Statutory reserve	Treasury shares reserve	
Balance as at 1 January 2018	317,004,240	316,306,745	-	136,777,700	39,573,191	-	505,506,775	1,315,168,651
Profit for the year	-	-	-	-	-	-	129,079,549	129,079,549
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	129,079,549	129,079,549
Additional ordinary shares issued	61,253,244	428,772,706	-	(136,777,700)	-	-	-	353,248,250
Dividend paid (Note 23)	-	-	-	-	-	-	(113,976,874)	(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
Balance as at 1 January 2019	378,257,484	745,079,451	-	-	39,573,191	-	520,609,450	1,683,519,576
Profit for the year	-	-	-	-	-	-	192,091,842	192,091,842
Other comprehensive income for the year	-	-	-	-	-	-	(859,856)	(859,856)
Total comprehensive income for the year	-	-	-	-	-	-	191,231,986	191,231,986
Additional ordinary shares issued (Note 18)	-	-	(102,984,446)	-	-	-	-	(102,984,446)
Dividend paid (Note 23)	-	-	-	-	-	-	(133,900,442)	(133,900,442)
Transferred unappropriated retained earnings to treasury shares reserve (Note 18)	-	-	-	-	-	102,984,446	(102,984,446)	-
Balance as at 31 December 2019	378,257,484	745,079,451	(102,984,446)	-	39,573,191	102,984,446	474,956,548	1,637,866,674

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

Financial statements

Fortune Parts Industry Public Company Limited

Notes to financial statements

For the year ended 31 December 2019

1. General information

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

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statement.

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

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

3. New financial reporting standards

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

During the year, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, the new standard involves changes to key principles, which are summarised 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 recognised 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 Company adopted this financial reporting standard without any material affecting to the Company's financial statements except for transportation expenses which are able to be collected from certain customers. Therefore, the Company presented such expenses net from sales, which previously recognised them as transportation expenses which included as selling and distribution expenses in income statements.

The Company reclassified the accounts in income statement for the year ended 31 December 2018 to conform with the classification in current period as below, for comparison purpose without any affecting to profit or shareholders' equity previously reported.

	(Unit: Thousand Baht)			
	Financial statements in which the equity method is applied		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously report
Income statement				
Sales	1,891,782	1,939,125	1,891,782	1,939,125
Selling and distribution expenses	53,234	100,577	53,234	100,577

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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 amortised 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 expects the adoption of these accounting standards to result in the following adjustments.

- Recognition of credit losses - The Company is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Company is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

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

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company believes that adoption of this standard will not have any significant impact on the financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Service revenue is recognised when services have been rendered.

Export incentive

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

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

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

4.5 Investments

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

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

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

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

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

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.



4.7 Intangible assets and amortisation

The intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

Computer software	5 years
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4.8 Related party transactions

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

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

4.9 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.10 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

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

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

Actuarial gains or losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.12 Provisions

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

4.13 Income tax

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

Current tax

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

Deferred tax

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

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent



that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

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

4.14 Fair value measurement

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

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

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

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

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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



Reduction of inventory cost to net realisable value

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

Property plant and equipment and depreciation

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

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.



6. Related party transactions

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

Name of related person or related parties	Relationship
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.

(Unit: Thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements		
	2019	2018	Transfer pricing policy
<u>Transactions with related person and parties</u>			
Sales			
ALP FPI PARTS PRIVATE LIMITED	10,511	17,387	Products: Market price; Mould: Purchase price plus margin 10%
Sangthong Auto Partsworld Co., Ltd.	49,718	52,070	In the range of the average selling price in Asia or within 15% of competitor's selling price
Fortune Box Industry Co., Ltd.	23	23	Selling price within 10% of competitor's selling price
Total	60,252	69,480	
Purchases of goods			
Sangthong Auto Partsworld Co., Ltd.	32,301	37,892	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.	27,472	27,340	Purchased at prices of other suppliers to 6% lower than those for other suppliers
S.C.G. Industry Co., Ltd.	1,195	1,310	Purchased at prices (plus or minus) 2% of the prices of other suppliers
Imperial Cable Industry Co., Ltd.	171	11	Market price
Total	61,139	66,553	
Interest income			
Safe Energy Holdings Co., Ltd	1,173	291	7 percent per annum
Total	1,173	291	
Other expenses			
K-Mart Service Co., Ltd.	71	280	Market price
S C G Hatairath Co., Ltd.	318	343	Market price
S.C.G. Industry Co., Ltd.	112	5	Market price
Super Central Gas Co., Ltd.	32	149	Market price
Sangthong Auto Partsworld Co., Ltd.	5	-	Market price
Total	538	777	



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

(Unit: Thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
<u>Trade receivable - related parties</u> (Note 8)		
Sangthong Auto Partsworld Co., Ltd.	17,487	25,521
ALP FPI PARTS PRIVATE LIMITED	1,467	6,642
EMP Innovation Co., Ltd.	1,727	6,472
United Auto Co., Ltd.	-	6,225
Fortune Box Industry Co., Ltd.	4	2
Total	20,685	44,862
Less: Allowance for doubtful accounts	(55)	(353)
Net	20,630	44,509
<u>Other receivable - related parties</u> (Note 8)		
Safe Energy Holdings Co., Ltd.	31,591	35,496
ALP FPI PARTS PRIVATE LIMITED	451	26
Total	32,042	35,522
Less: Allowance for doubtful accounts	(8)	-
Net	32,034	35,522
<u>Trade payables - related parties</u> (Note 13)		
Sangthong Auto Partsworld Co., Ltd.	6,399	5,602
Fortune Box Industry Co., Ltd.	8,699	5,210
S.C.G. Industry Co., Ltd.	113	663
Imperial Cable Industry Co., Ltd.	78	-
Total	15,829	11,475
<u>Other payables - related parties</u> (Note 13)		
FORTUNE-PARTS INDUSTRY ECUADOR CIA LTDA	7,776	8,361
K-Mart Service Co., Ltd.	-	48
S C G Hatairath Co., Ltd.	66	55
Super Central Gas Co., Ltd.	35	34
Total	7,877	8,498

Safe Energy Holdings Company Limited received an advance of Baht 14 million (2018: Baht 16 million) from the Company. The Company charged interest at the rate of 7.0 percent per annum (2018: 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)	
	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Short-term employee benefits	35,904	30,623
Post-employment benefits	3,627	1,035
Total	39,531	31,658

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Cash	150	150
Bank deposits	184,738	87,790
Total	184,888	87,940

As at 31 December 2019, bank deposits in saving accounts carried interests between 0.10% and 0.625% per annum (2018: between 0.10% and 0.375% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	12,377	10,808
Past due		
Up to 3 months	6,111	18,329
6 - 12 months	470	3,028
Over 12 months	1,727	12,697
Total trade receivables - related parties	20,685	44,862



(Unit: Thousand Baht)

Financial statements in which
equity method is applied and
Separate financial statements

	2019	2018
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	438,517	358,005
Past due		
Up to 3 months	150,746	135,706
3 - 6 months	35,042	42,401
6 - 12 months	42,296	54,080
Over 12 months	24,569	14,229
Total trade receivables - unrelated parties	691,170	604,421
Total trade receivable	711,855	649,283
Less: Allowance for doubtful accounts	(26,216)	(18,920)
Total trade receivables - net	685,639	630,363
<u>Other receivables</u>		
Other receivables - related parties	32,042	35,522
Other receivables - unrelated parties	2,966	1,157
Other receivables from selling equipment	368	5,010
Revenue department receivable	12,753	6,014
Total	48,129	47,703
Less: Allowance for doubtful accounts	(92)	(4)
Total other receivables - net	48,037	47,699
Total trade and other receivables - net	733,676	678,062

9. Inventories

(Unit: Thousand Baht)

Financial statements in which equity method is applied and Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods						
(included trading goods)	332,252	346,381	(32,072)	(32,608)	300,180	313,773
Work in process	31,932	37,271	(5,902)	(6,317)	26,030	30,954
Raw materials	74,031	82,031	(15,826)	(14,440)	58,205	67,591
Packaging materials						
and supplies	24,957	24,593	(2,501)	(2,306)	22,456	22,287
Total	463,172	490,276	(56,301)	(55,671)	406,871	434,605



During the current year, the Company recorded the write-down of cost of inventories by Baht 18 million (2018: Baht 18 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 17 million (2018: Baht 33 million) by net of the amount of inventories recognised as expenses during the year.

10. Investments in joint ventures

10.1 Details of joint ventures

ALP FPI PARTS PRIVATE LIMITED

On 19 March 2019, the Extra-Ordinary General Meeting of ALP FPI PARTS PRIVATE LIMITED passed a resolution increasing its registered share capital from INR 420 million to INR 520 million by issuing convertible preferred shares, with the Company's shareholding structure remaining unchanged. Each preferred share is convertible to ordinary share in a ratio of 1:1. The Company already made share payments amounting to INR 45 million (or equivalent Baht 22 million) during the second quarter of current year.

The Board of Directors' Meeting held on 13 November 2019 passed a resolution approving the purchase of share capital in ALP FPI PARTS PRIVATE LIMITED from two former shareholders which is not related transaction. Details are as follows.

- ALP OVERSEAS PVT. LTD.; 4,125,000 ordinary shares and 2,600,000 preference shares (13% of ALP FPI PARTS PRIVATE LIMITED's registered share capital), at the price of INR 8.64 per share, totaling INR 58 million.
- ALP Polymers Park Private Limited; 13,241,649 ordinary shares and 8,400,000 preference shares (42% of ALP FPI PARTS PRIVATE LIMITED's registered share capital), at the price of INR 8.64 per share, totaling INR 187 million.

The total value is INR 245 million, The Company paid for such share capital on 22 January 2020.



10.2 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	
			2019	2018	2019	2018	2019	2018
			(%)	(%)				
Safe Energy Holdings Co., Ltd.	Invest in the biomass power plant business	Thailand	33.37	33.37	225,947	213,169	193,876	193,876
ALP FPI PARTS PRIVATE LIMITED	Manufacture and distribution of the automotive replacement parts	India	45.00	45.00	67,667	74,298	121,033	98,983
FORTUNE-PARTS INDUSTRY ECUADOR CIA LTDA	Manufacture and distribution of the automotive replacement parts	Ecuador	45.00	45.00	6,307	6,691	7,317	7,317
Total					299,921	294,158	322,226	300,176

10.3 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:

(Unit: Thousand Baht)

Joint ventures	Financial statements in which equity method is applied				Separate financial statements	
	Share of profit (loss) from investments in joint ventures during the years		Share of other comprehensive income from investments in joint ventures during the years		Dividend received during the years	
	2019	2018	2019	2018	2019	2018
Safe Energy Holdings Co., Ltd.	12,778	6,834	-	-	-	-
ALP FPI PARTS PRIVATE LIMITED	(18,189)	(10,434)	(10,492)	(11,620)	-	-
FORTUNE-PARTS INDUSTRY ECUADOR CIA LTDA	110	71	(494)	92	-	-
Total	(5,302)	(3,529)	(10,985)	(11,528)	-	-

Financial statements of FORTUNE-PARTS INDUSTRY ECUADOR CIA LTDA were prepared by its managements and had not yet been audited by its auditor. However, the management believes that there would be no material differences if the financial statements has been audited by the auditor.



10.4 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

	Safe Energy Holdings Co., Ltd.		ALP FPI PARTS PRIVATE LIMITED	
	2019	2018	2019	2018
Current assets	195	203	49	64
Non-current assets	816	829	251	269
Current liabilities	(174)	(183)	(82)	(69)
Non-current liabilities	(136)	(183)	(66)	(99)
Net assets	701	666	152	165
<u>Less</u> non-controlling interests	(21)	(27)	-	-
	680	639	152	165
Shareholding percentage (%)	33.37	33.37	45.00	45.00
Carrying amounts of joint ventures based on equity method	226	213	68	74

Summarised information about comprehensive income

(Unit: Million Baht)

	Safe Energy Holdings		ALP FPI PARTS	
	Co., Ltd.		PRIVATE LIMITED	
	For the years ended 31 December			
	2019	2018	2019	2018
Revenue	252	224	59	101
Depreciation and amortization	(49)	(44)	(12)	(9)
Interest expense	(13)	(10)	(11)	(11)
Income tax expense	(3)	3	-	3
Others	(161)	(153)	(74)	(107)
Profit (loss)	32	20	(38)	(23)
Other comprehensive income	-	-	-	-
Total comprehensive income	32	20	(38)	(23)

11. Property, plant and equipment

(Unit: Thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements							
	Land	Land improvement	Factory and office buildings	Machinery and equipment	Moulds and printing blocks	Fixtures and office equipment	Motor vehicles	Construction in progress
Cost								Total
1 January 2018	112,422	15,864	419,172	708,057	1,742,243	60,383	31,036	47,101
Additions	12,705	-	1	19,067	130,224	1,166	1,530	48,424
Disposals/write-off	-	-	-	(2,303)	(15,867)	(100)	-	-
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
Additions	-	-	4	46,861	128,679	789	4,868	123,934
Disposals/write-off	-	-	-	(24,475)	(17,183)	(3)	(1,550)	-
Transfer in/(transfer out)	-	-	13,787	10,421	11,643	-	81	(35,932)
31 December 2019	125,127	15,864	449,284	792,737	1,995,324	62,235	35,965	116,513
Accumulated depreciation								
1 January 2018	-	(10,851)	(131,369)	(534,576)	(1,371,586)	(43,214)	(24,061)	-
Depreciation for the year	-	(793)	(21,603)	(59,840)	(121,891)	(6,919)	(2,525)	-
Depreciation on disposals/ write-off	-	-	-	145	612	91	-	-
31 December 2018	-	(11,644)	(152,972)	(594,271)	(1,492,865)	(50,042)	(26,586)	-
Depreciation for the year	-	(794)	(22,003)	(53,465)	(125,647)	(6,223)	(2,629)	-
Depreciation on disposals/ write-off	-	-	-	22,827	1,724	3	1,114	-
31 December 2019	-	(12,438)	(174,975)	(624,909)	(1,616,788)	(56,262)	(28,101)	-
Net book value								
31 December 2018	125,127	4,220	282,521	165,659	379,320	11,407	5,980	28,511
31 December 2019	125,127	3,426	274,309	167,828	378,536	5,973	7,864	116,513
Depreciation for the year								
2018 (Baht 203 million included in cost of sales and cost of services, and the remaining balance in administrative expenses)								213,571
2019 (Baht 201 million included in cost of sales and cost of services, and the remaining balance in administrative expenses)								210,761

As at 31 December 2019, 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 1,741 million (2018: Baht 1,609 million).

The Company has mortgaged certain property, plant and equipment amounting to approximately Baht 93 million (2018: Baht 101 million) as collateral against credit facilities received from financial institutions, as discussed in Note 12 and Note 14.



12. Short-term loans from financial institutions

(Unit: Thousand Baht)

Financial statements in which
equity method is applied and
Separate financial statements

	Interest rate (% per annum)	2019	2018
Short-term loans - letters of credit	1.98 to 2.50	358,674	227,945
Short-term loans - packing credit	1.65 to 1.98	224,552	150,169
Total		583,226	378,114

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.

13. Trade and other payables

(Unit: Thousand Baht)

Financial statements in which
equity method is applied and
Separate financial statements

	2019	2018
Trade payables - related parties	15,289	11,475
Trade payables - unrelated parties	184,681	184,974
Other payables - related parties	7,877	8,498
Other payables - unrelated parties	33,758	29,905
Other payables for purchase of equipment	12,970	3,669
Accrued expenses	40,074	35,950
Total trade and other payables	294,649	274,471

14. Long-term loans

(Unit: Thousand Baht)

Financial statements in which
equity method is applied and
Separate financial statements

	Interest rate (% per annum)	Repayment schedule	2019	2018
Facility 1	LIBOR + 1.50	Monthly installments of principal and interest amounting to not less than USD 305,992 each (2018: USD 278,150 each)	187,992	178,172
Less: Current portion			(98,218)	(93,999)
Long-term loans, net of current portion			89,774	84,173

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



15. Short-term provision

	(Unit: Thousand Baht)
	Financial statements in which equity method is applied and Separate financial statements
	Provision for product warranty
1 January 2018	3,589
Increase during the year	825
Utilised	(2,368)
31 December 2018	2,046
Increase during the year	613
Utilised	(469)
31 December 2019	2,190

16. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Provision for long-term employee benefits		
at beginning of year	17,214	13,848
Included in profit or loss		
Current service cost	4,441	3,020
Interest cost	510	346
Post service cost	4,300	-
Included in other comprehensive income		
Actuarial (gain) loss arising from		
Demographic assumption changes	1,527	-
Financial assumption changes	1,260	-
Experience adjustments	(1,713)	-
Benefit paid during the year	(115)	-
Provision for long-term employee benefits		
at end of year	27,424	17,214

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

	(Unit: Thousand Baht)	
	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Cost of sales and cost of services	4,596	1,810
Administrative expenses	4,655	1,556
Total expenses recognised in profit or loss	9,251	3,366

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 4 million as a result. The Company reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

The Company expects to pay baht 0.6 million of long-term employee benefits during the next year (2018: none).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 9.82 years (2018: 9.69 years).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)	
	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Discount rate	1.52	2.50
Salary increase rate	5.00	5.50
Turnover rate	0 - 37	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)

Financial statements in which equity method is applied and Separate financial statements				
As at 31 December				
	2019		2018	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(2,437)	2,796	(1,995)	2,287
Salary increase rate	2,597	(2,317)	2,427	(2,151)
Turnover rate	(2,679)	1,820	(2,229)	1,543

17. Share capital

On 22 April 2019, the Annual General Meeting of the Company's shareholders approved decrease in the registered share capital from amount of Baht 378,659,541.75 to Baht 378,257,483.50 by decreasing the remaining 1,608,233 ordinary shares from the allocation of the additional common stock to facilitate the exercising of the warrant to purchase new ordinary shares (FPI-W1) at par value of Baht 0.25 per share, totaling Baht 402,058.25. The Company registered the reduction of registered share capital with the Ministry of Commerce on 10 May 2019.

18. Treasury shares/appropriated retained earnings for treasury shares reserve

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.

During the year, the Company has purchased back 40 million ordinary shares (par value of Baht 0.25 each), or 2.64 percent of total number of shares in issue, a total of Baht 102.98 million and the Company has already appropriated the required amount of retained earnings to a reserve for the treasury shares amounting to Baht 102.98 million.

19. Statutory reserve

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

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Cost of trading goods	571,801	576,246
Raw materials and consumables used	579,421	554,357
Salaries, wages and other employee benefits	253,592	235,701
Depreciation and amortisation	211,462	214,108
Freight charges	46,408	38,402
Changes in work in process	5,340	(10,648)

21. Income tax

Income tax expenses are made up as follows:

	(Unit: Thousand Baht)	
	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Current income tax		
Current income tax charge	43,582	19,774
Deferred tax		
Relating to origination and reversal of temporary differences	(7,296)	115
Income tax expenses reported in profit or loss	36,286	19,889



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

(Unit: Thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Deferred tax on actuarial loss	(215)	-
	(215)	-

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	
	2019	2018	2019	2018
Accounting profit before tax	223,076	145,439	228,378	148,968
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	44,615	29,088	45,676	29,794
Effect of				
Share of loss from investments in joint ventures	1,061	706	-	-
Non-deductible expenses	2,908	1,949	2,908	1,949
Additional expense deductions allowed	(11,891)	(11,584)	(11,891)	(11,584)
Other	(407)	-	(407)	-
Total	(8,329)	(9,199)	(9,390)	(9,905)
Income tax expenses reported in profit or loss	36,286	19,889	36,286	19,889

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

		(Unit: Thousand Baht)	
		Financial statements in which equity method is applied and Separate financial statements	
		Statements of financial position as at 31 December	
		2019	2018
Deferred tax assets			
Allowance for diminution of inventories		11,260	11,134
Provision for long-term employee benefits		5,485	3,443
Provision for product warranty		438	409
Allowance for doubtful accounts		91	91
Total		17,274	15,077
Deferred tax liabilities			
Deferred revenue from customs duty		3,081	8,095
Adjustment from revaluation according to forward exchange contracts		-	300
Total		3,081	8,395
Net		14,193	6,682

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.

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

	Financial statements in which equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Profit for the year (Thousand Baht)	186,790	125,550	192,092	129,080
Weighted average number of ordinary shares (Thousand share)	1,490,272	1,436,518	1,490,272	1,436,518
Earnings per share (Baht)	0.13	0.09	0.13	0.09



23. Dividend paid

Dividends	Approved by	Number of shares (Thousand shares)	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2017	Annual General Meeting of the shareholders on 25 April 2018	1,336,406	53,456	0.04
Interim dividends from the retained earnings and 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
Dividends for 2018	Annual General Meeting of the shareholders on 22 April 2019	1,506,224	60,249	0.04
Interim dividends from the retained earnings and operating results for the six-month period ended 30 June 2019	Board of Directors' Meeting on 13 August 2019	1,473,030	73,652	0.05
Total dividends for the year 2019			133,901	0.09

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	361,342	293,53	1,693,31	1,598,24	821	1,098	2,055,479	1,892,880
Segment income	110,540	50,124	296,238	285,010	239	300	407,017	335,434
Other income							17,709	26,855
Selling and distribution expenses							(58,302)	(53,233)
Administrative expenses							(117,320)	(133,401)
Share of loss from investments in joint ventures which recorded by equity method							(5,302)	(3,529)
Finance cost							(20,726)	(26,687)
Income tax expenses							(36,286)	(19,889)
Profit for the year							186,790	125,550

Geographic information

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

(Unit: Thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements	
	2019	2018
Revenue from external customers		
Thailand	362,163	294,634
Saudi Arabia	504,162	346,118
Others	1,189,154	1,252,128
Total	2,055,479	1,892,880

Major customers

For the years 2019 and 2018, 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 2019 amounting to approximately Baht 2 million (2018: Baht 2 million) were recognised as expenses.

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2019, the Company had capital commitments of approximately Baht 28 million (2018: Baht 20 million), relating to the construction of factory and office buildings and the acquisition of equipment.

26.2 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 6 million (2018: 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 from financial institutions, 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)

	Financial statements in which equity method is applied and Separate financial statements				
	As at 31 December 2019				
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	185	-	185	0.10 - 0.625
Trade and other receivables	14	-	720	734	7.00
Total	14	185	720	919	
Financial liabilities					
Short-term loans from financial institutions	224	359	-	583	1.65 - 2.50
Trade and other payables	-	-	295	295	-
Long-term loans	-	188	-	188	LIBOR + 1.5
Total	224	547	295	1,066	

(Unit: Million Baht)

	Financial statements in which equity method is applied and Separate financial statements				
	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	

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 2019			
Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
USD	20	7	30.11
INR	23	-	0.41

As at 31 December 2018			
Foreign currency	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
USD	18	6	32.40

Forward exchange contracts outstanding are summarised below.

As at 31 December 2019			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
Forward contracts to sell			
USD	1	30.21 - 30.48	January - February 2020
Put currency			
USD	32	30.30 - 31.60	January - April 2020
As at 31 December 2018			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
Forward contracts to sell			
USD	3	32.57 - 32.98	January - March 2019

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 2019, the financial statements in which the equity method is applied's debt-to-equity ratio was 0.71:1 (2018: 0.52:1) and the Company's debt-to-equity ratio was 0.70:1 (2018: 0.52:1).

29. Event after the reporting period

- 29.1 On 22 January 2020, the Company acquired share capital in ALP FPI PARTS PRIVATE LIMITED, a joint venture, from two former shareholders as mentioned in Note 10.1 to the financial statements. The total value is INR 245 million (approximately Baht 109 million). After the transaction was executed, the Company owned 100% of such company's share capital and obtained control. Its status has been changed from a joint venture to a subsidiary in 2020.
- 29.2 On 24 February 2020, the Board of Directors of the Company passed the resolution to pay a dividend of Baht 0.045 per share from the retained earnings and operating results for the year 2019, totaling Baht 66.3 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 24 February 2020.



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 2,050,000 in 2019.

Audit Fee		Baht
Audit fee of the Company	2,050,000	Baht
Amount		2,050,000 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 2019, accounted for Baht 135,167.



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บริษัท ฟอ์จูน พาร์ท อินดัสตรี จำกัด (มหาชน)
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