

Part 3**Financial Position and Operation Performance****13. Key Financial Information****13.1 Financial statements****Responsibilities of Management for the financial reports**

The Board of Director of the company perceive the importance of duty and responsibilities of corporate governance following the good corporate governance policy. The financial statements and the financial information in the annual report were corrected, completed and fairly disclosed. Moreover, the financial statements are in accordance with Thai Financial Reporting standard by applying appropriate and consistency accounting policy, and conservative judgement. In addition, the company has effective internal control to provide reasonable assurance toward the company's financial statements. The company's assets are controlled with good system, thus, there is no fraud and abnormal transactions. The related transactions which may create conflict of interest are all normal business transaction and provide maximum benefit to the company. What is more, the transactions are following related laws and regulation, which has been reported to the Board of Director by the Audit Committee, as well as reported in the annual report.

The Board of Director evaluates that the company's internal control is satisfied and could provide reasonable assurance of the company's financial statement ended 31 December 2018, which are reviewed according to the Thai Financial Reporting Standard. The auditor provides opinion that the statement of financial position and financial performance are presented fairly and in accordance with Thai Financial Reporting Standards.

13.2 Summary of independent auditors' report

Financial statements of 2018 was audited by Ms. Manee Rattanabunnakit, Certified Public Accountant (Thailand) No. 5313 from EY Office Limited. The auditor conducted the financial statements, and gave an opinion that the financial position of Fortune Parts Industry Public Company Limited as at 31 December 2018, its financial performance and cash flows for the year ended are presented fairly and in accordance with Thai Financial Reporting Standards.

Financial statements of 2017 was audited by Ms. Manee Rattanabunnakit, Certified Public Accountant (Thailand) No. 5313 from EY Office Limited. The auditor conducted the financial statements, and gave an opinion that the financial position of Fortune Parts Industry Public Company Limited as at 31 December 2018, its financial performance and cash flows for the year ended are presented fairly and in accordance with Thai Financial Reporting Standards.

**Fortune Parts Industry Public Company Limited****Statement of financial position****As at 31 December 2018**

(Unit: Baht)

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



Fortune Parts Industry Public Company Limited

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

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

**Fortune Parts Industry Public Company Limited****Statement of financial position (continued)****As at 31 December 2018**

(Unit: Baht)

	Financial statements in which		Separate financial statements	
	equity method is applied			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)		
Shareholders' equity				
Share capital				
Registered				
1,514,638,167 ordinary shares of Baht 0.25 each	378,659,542	378,659,542	378,659,542	378,659,542
Issued and fully paid-up				
1,513,029,934 ordinary shares of Baht 0.25 each				
(2017: 1,268,016,959 ordinary shares of				
Baht 0.25 each)	378,257,484	317,004,240	378,257,484	317,004,240
Share premium	745,079,451	316,306,745	745,079,451	316,306,745
Advance from share subscription	-	136,777,700	-	136,777,700
Retained earnings				
Appropriated-statutory reserve	39,573,191	39,573,191	39,573,191	39,573,191
Unappropriated	526,118,859	514,545,487	520,609,450	505,506,775
Other components of shareholders' equity	(11,527,744)	-	-	-
Total shareholders' equity	<u>1,677,501,241</u>	<u>1,324,207,363</u>	<u>1,683,519,576</u>	<u>1,315,168,651</u>
Total liabilities and shareholders' equity	<u>2,553,470,050</u>	<u>2,792,187,654</u>	<u>2,559,488,385</u>	<u>2,783,148,942</u>

**Fortune Parts Industry Public Company Limited****Income statement****For the year ended 31 December 2018**

(Unit: Baht)

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

**Fortune Parts Industry Public Company Limited****Statement of comprehensive income****For the year ended 31 December 2018**

(Unit: Baht)

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

**Fortune Parts Industry Public Company Limited****Cash flows statement****For the year ended 31 December 2018**

(Unit: Baht)

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

**Fortune Parts Industry Public Company Limited****Cash flows statement (continued)****For the year ended 31 December 2018**

(Unit: Baht)

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

Fortune Parts Industry Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2018

(Unit: Baht)

	Financial statements in which equity method is applied							
						Other component of shareholders' equity		Total shareholders' equity
	Issued and paid-up share capital	Share premium	Advance from share subscription	Retained earnings Appropriated- statutory reserve	Unappropriated	Share of other comprehensive income from investments in joint ventures	Total other components of shareholders' equity	
Balance as at 1 January 2017	304,641,090	229,764,695	1,908,000	39,573,191	510,973,920	-	-	1,086,860,896
Profit for the year - restated	-	-	-	-	201,120,882	-	-	201,120,882
Other comprehensive income for the year	-	-	-	-	(538,862)	-	-	(538,862)
Total comprehensive income for the year	-	-	-	-	200,582,020	-	-	200,582,020
Cash receipt from share subscription as warrants exercised	-	-	233,774,900	-	-	-	-	233,774,900
Additional ordinary shares issued	12,363,150	86,542,050	(98,905,200)	-	-	-	-	-
Dividend paid	-	-	-	-	(197,010,453)	-	-	(197,010,453)
Balance as at 31 December 2017	<u>317,004,240</u>	<u>316,306,745</u>	<u>136,777,700</u>	<u>39,573,191</u>	<u>514,545,487</u>	<u>-</u>	<u>-</u>	<u>1,324,207,363</u>
Balance as at 31 December 2017 - as previously reported	317,004,240	316,306,745	136,777,700	39,573,191	517,655,518	-	-	1,327,317,394
Cumulative effect of the adjustments	-	-	-	-	(3,110,031)	-	-	(3,110,031)
Balance as at 31 December 2017 - restated	<u>317,004,240</u>	<u>316,306,745</u>	<u>136,777,700</u>	<u>39,573,191</u>	<u>514,545,487</u>	<u>-</u>	<u>-</u>	<u>1,324,207,363</u>
Profit for the year	-	-	-	-	125,550,246	-	-	125,550,246
Other comprehensive income for the year	-	-	-	-	-	(11,527,744)	(11,527,744)	(11,527,744)
Total comprehensive income for the year	-	-	-	-	125,550,246	(11,527,744)	(11,527,744)	114,022,502
Additional ordinary shares issued	61,253,244	428,772,706	(136,777,700)	-	-	-	-	353,248,250
Dividend paid	-	-	-	-	(113,976,874)	-	-	(113,976,874)
Balance as at 31 December 2018	<u>378,257,484</u>	<u>745,079,451</u>	<u>-</u>	<u>39,573,191</u>	<u>526,118,859</u>	<u>(11,527,744)</u>	<u>(11,527,744)</u>	<u>1,677,501,241</u>

Fortune Parts Industry Public Company Limited
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Advance from share subscription	Retained earnings		Total shareholders' equity
				Appropriated- statutory reserve	Unappropriated	
Balance as at 1 January 2017	304,641,090	229,764,695	1,908,000	39,573,191	513,267,416	1,089,154,392
Profit for the year	-	-	-	-	189,788,674	189,788,674
Other comprehensive income for the year	-	-	-	-	(538,862)	(538,862)
Total comprehensive income for the year	-	-	-	-	189,249,812	189,249,812
Cash receipt from share subscription as warrants exercised (Note 18)	-	-	233,774,900	-	-	233,774,900
Additional ordinary shares issued	12,363,150	86,542,050	(98,905,200)	-	-	
Dividend paid	-	-	-	-	(197,010,453)	(197,010,453)
Balance as at 31 December 2017	317,004,240	316,306,745	136,777,700	39,573,191	505,506,775	1,315,168,651
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	-	-	-	-	(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



Fortune Parts Industry Public Company Limited

Notes to financial statements

For the year ended 31 December 2018

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

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

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

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

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

2. Related party transactions

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

<u>Name of related person or related parties</u>	<u>Relationship</u>
Safe Energy Holdings Co., Ltd.	Joint venture
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA	Joint venture
ALP FPI PARTS PRIVATE LIMITED	Joint venture
Sangthong Auto Partsworld Co., Ltd.	Company owned by related person of the Company's management
Fortune Box Industry Co., Ltd.	Company owned by related person of the Company's management
United Auto Co., Ltd.	Company owned by related person of he 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.

<u>Transactions with related person and parties</u>	(Unit: Thousand Baht)		
	<u>2018</u>	<u>2017</u>	<u>Transfer pricing policy</u>
Sales			
ALP FPI PARTS PRIVATE LIMITED	17,387	52,527	Products: Market price; Mould: Purchase price plus margin 10%
Sangthong Auto Partsworld Co., Ltd.	52,070	56,519	In the range of the average selling price in Asia or within 15% of competitor's selling price
Imperial Cable Industry Co., Ltd.	-	285	In the range of the average selling price in Asia or within 3% of competitor's



	2018	2017	(Unit: Thousand Baht) Transfer pricing policy
			selling price
Fortune Box Industry Co., Ltd.	23	28	Selling price within 10% of competitor's selling price
Total	69,480	109,359	
Purchases of goods			
Sangthong Auto Partsworld Co., Ltd.	37,892	59,767	OEM: Within (plus or minus) 5% of the prices of other suppliers; Other products: purchased at prices (plus or minus) 20% of the price of other suppliers
Fortune Box Industry Co., Ltd.	27,340	25,801	Purchased at prices of other suppliers to 6% lower than those for other suppliers
S.C.G. Industry Co., Ltd.	1,310	899	Purchased at prices (plus or minus) 2% of the prices of other suppliers
Imperial Cable Industry Co., Ltd.	11	37	Market price
Total	66,553	86,504	
Interest income			
Safe Energy Holdings Co., Ltd	291	-	7.5 percent per annum
Total	291	-	
Other expenses			
K-Mart Service Co., Ltd.	280	337	Market price
S C G Hatairath Co., Ltd.	343	285	Market price
ALP FPI PARTS PRIVATE LIMITED	-	54	Market price
S.C.G. Industry Co., Ltd.	5	8	Market price
Super Central Gas Co., Ltd.	149	-	Market price
Total	777	684	

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

	2018	2017
(Unit: Thousand Baht)		
<u>Trade receivable - related parties (Note 9)</u>		
Sangthong Auto Partsworld Co., Ltd.	25,521	25,812
ALP FPI PARTS PRIVATE LIMITED	6,642	9,855
EMP Innovation Co., Ltd.	6,472	6,472
United Auto Co., Ltd.	6,225	6,225
Fortune Box Industry Co., Ltd.	2	2
Total	44,862	48,366



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

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

Directors and management's benefits

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

	(Unit: Thousand Baht)	
	2018	2017
Short-term employee benefits	30,623	28,652
Post-employment benefits	1,035	1,269
Total	31,658	29,921

3. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cash	150	150
Bank deposits	87,790	258,987
Total	<u>87,940</u>	<u>259,137</u>

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

4. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	10,808	19,480
Past due		
Up to 3 months	18,329	10,585
3 - 12 months	3,028	5,604
Over 12 months	12,697	12,697
Total trade receivables - related parties	<u>44,862</u>	<u>48,366</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	358,005	313,419
Past due		
Up to 3 months	135,706	174,906
3 - 12 months	96,481	105,958
Over 12 months	14,229	3,053
Total trade receivables - unrelated parties	<u>604,421</u>	<u>597,336</u>
Total trade receivable	<u>649,283</u>	<u>645,702</u>
Less: Allowance for doubtful accounts	<u>(18,920)</u>	<u>(13,445)</u>
Total trade receivables - net	<u>630,363</u>	<u>632,257</u>

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

5. Inventories

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

During the current year, the Company reduced cost of inventories by Baht 18 million (2017: Baht 34 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 33 million (2017: Baht 17 million), and reduced the amount of inventories recognised as expenses during the year.

6. Investments in joint ventures

6.1 Details of joint ventures

Safe Energy Holdings Company Limited

During the year 2017, Safe Energy Holdings Company Limited invested in the following companies:

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

November 2017	SAFE Biomass Co., Ltd.	100	100
			556

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

ALP FPI PARTS PRIVATE LIMITED

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

6.2 Details of investments in joint ventures

(Unit: Thousand Baht)								
Joint ventures	Nature of business	Country of incorporation	Shareholding percentage		Financial statements in which equity method is applied		Separate financial statements	
					Carrying amounts based on equity method		Carrying amounts based on cost method	
			2018 (%)	2017 (%)	2018	2017 (Restated)	2018	2017
Safe Energy Holdings Co., Ltd.	Invest in the biomass power plant business	Thailand	33.37	33.37	213,169	154,612	193,876	142,153
ALP FPI PARTS PRIVATE LIMITED	Manufacture and distribution of the automotive replacement parts	India	45.00	45.00	74,298	74,527	98,983	77,158
FORTUNE-PARTS INDUSTRY ECUADOR CIA LTDA	Manufacture and distribution of the automotive replacement parts	Ecuador	45.00	45.00	6,691	6,527	7,317	7,317

Total	294,158	235,666	300,176	226,628
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6.3 Share of comprehensive income and dividend received

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

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

6.4 Summarised financial information about material joint ventures

Summarised information about financial position

	Safe Energy Holdings Co., Ltd.		ALP FPI PARTS PRIVATE LIMITED	
	2018	2017 (Restated)	2018	2017
Current assets	203	171	64	90
Non-current assets	829	843	269	231
Current liabilities	(183)	(335)	(69)	(96)
Non-current liabilities	(183)	(183)	(99)	(60)
Net assets	666	496	165	165
<u>Less non-controlling interests</u>	(27)	(32)	-	-

(Unit: Million Baht)

	Safe Energy Holdings Co., Ltd.		ALP FPI PARTS PRIVATE LIMITED	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Shareholding percentage (%)	639	464	165	165
	<u>33.37</u>	<u>33.37</u>	<u>45.00</u>	<u>45.00</u>
Carrying amounts of joint ventures based on equity method	213	155	74	74

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December			
	Safe Energy Holdings		ALP FPI PARTS	
	Co., Ltd.		PRIVATE LIMITED	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)		
Revenue	224	105	101	35
Depreciation and amortization	(44)	(13)	(9)	(2)
Interest income	-	-	-	1
Interest expense	(10)	(6)	(11)	-
Income tax expense	3	2	3	-
Others	(153)	(51)	(107)	(38)
Profit (loss)	20	37	(23)	(4)
Other comprehensive income	-	-	-	-
Total comprehensive income	20	37	(23)	(4)

7. Property, plant and equipment

(Unit: Thousand Baht)

[illegible]



1 January 2017	89,482	15,864	418,861	644,302	1,651,794	59,835	29,333	73,718	2,983,189
Additions	22,940	-	-	20,888	111,230	2,234	3,557	45,637	206,486
Disposals/write-off	-	-	-	(7,874)	(41,983)	(1,686)	(1,854)	-	(53,398)
Transfer in/(transfer out)	-	-	311	50,741	21,202	-	-	(72,254)	(53,397)
31 December 2017	112,422	15,864	419,172	708,057	1,742,243	60,383	31,036	47,101	3,136,278
Additions	12,705	-	1	19,067	130,224	1,166	1,530	48,424	213,117
Disposals/write-off	-	-	-	(2,303)	(15,867)	(100)	-	-	(18,270)
Transfer in/(transfer out)	-	-	16,320	35,109	15,585	-	-	(67,014)	-
31 December 2018	125,127	15,864	435,493	759,930	1,872,185	61,449	32,566	28,511	3,331,125
Accumulated depreciation									
1 January 2017	-	(10,058)	(110,518)	(470,657)	(1,263,796)	(37,252)	(22,751)	-	(1,915,032)
Depreciation for the year	-	(793)	(20,851)	(65,622)	(111,732)	(7,648)	(2,816)	-	(209,462)
Depreciation on disposals/ write-off	-	-	-	1,703	3,942	1,686	1,506	-	8,837
31 December 2017	-	(10,851)	(131,369)	(534,576)	(1,371,586)	(43,214)	(24,061)	-	(2,115,657)
Depreciation for the year	-	(793)	(21,603)	(59,840)	(121,891)	(6,919)	(2,525)	-	(213,571)
Depreciation on disposals/ write-off	-	-	-	145	612	91	-	-	848
31 December 2018	-	(11,644)	(152,972)	(594,271)	(1,492,865)	(50,042)	(26,586)	-	(2,328,380)
Net book value									
31 December 2017	112,422	5,013	287,803	173,481	370,657	17,169	6,975	47,101	1,020,621
31 December 2018	125,127	4,220	282,521	165,659	379,320	11,407	5,980	28,511	1,002,745
Depreciation for the year									
2017 (Baht 199 million included in cost of sales and cost of services, and the balance in administrative expenses)									209,462
2018 (Baht 203 million included in cost of sales and cost of services, and the balance in administrative expenses)									213,571

As at 31 December 2018, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,609 million (2017: Baht 1,420 million).

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

8. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		
	(% per annum)	2018	2017
Short-term loans - bill of exchange	2.55 to 2.90	-	239,457
Short-term loans - letters of credit	MMR	227,945	60,960



Short-term loans - packing credit	2.10 to 2.15	150,169	650,504
Short-term loans - trust receipts	2.33	-	27,920
Total		<u>378,114</u>	<u>978,841</u>

Short-term loans from financial institutions are secured by the mortgage of certain land with premises thereon and certain machinery and equipment of the Company.

9. Trade and other payables

(Unit: Thousand Baht)

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

10. Long-term loans

(Unit: Thousand Baht)

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

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

11. Short-term provision

	(Unit: Thousand Baht)
	Provision for product warranty
1 January 2017	3,595
Increase during the year	1,181
Utilised	(1,187)
31 December 2017	3,589
Increase during the year	825
Utilised	(2,368)
31 December 2018	2,046

12. Provision for long-term employee benefits

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

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

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

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cost of sales and cost of services	1,810	1,401

Administrative expenses	1,556	1,289
Total expenses recognised in profit or loss	3,366	2,690

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

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

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)	
	2018	2017
Discount rate	2.50	2.50
Salary increase rate	5.50	5.50
Turnover rate	0 - 39	0 - 39

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

	(Unit: Thousand Baht)			
	As at 31 December			
	2018		2017	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,995)	2,287	(1,302)	1,497
Salary increase rate	2,427	(2,151)	1,437	(1,279)
Turnover rate	(2,229)	1,543	(1,458)	1,040

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

13. Share capital

Warrants

On 2 April 2015, the Annual General Meeting of the Company's shareholders approved the issuance and offering of named and transferable warrants (FPI-W1) as detailed below.

Allocation method	:	Allocated to the existing shareholders of the Company in a ratio of 1 warrant for every 4 existing ordinary shares
Number of warrants	:	Not exceeding 302.92 million units
Offering price	:	Baht 0 (no cost)
Term	:	Not exceeding 3 years from the issue date
Exercise ratio	:	1 warrant per 1 ordinary share
Exercise price	:	Baht 2
Exercise period	:	Last business day of each March, June, September, and December until the expiry date.
Listing	:	Warrants to be listed on the Market for Alternative Investment

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

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

Date of exercise	Number of exercised warrants (Thousand units)	Number of ordinary shares issued for exercise of warrants (Thousand shares)	Exercise price (Baht)	Date of registration with the Ministry of Commerce	Date of Stock Exchange of Thailand approved ordinary shares as listed securities
<u>FPI-W1</u>					
31 March 2018	21,689	21,689	2	9 April 2018	11 April 2018
8 June 2018	154,935	154,935	2	13 June 2018	18 June 2018
Total exercise in 2018	<u>176,624</u>	<u>176,624</u>			

A reconciliation of the number of warrants is provided below.

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

Exercised during the year	(176,624)
Number of warrants as at 31 December 2018	(1,608)
	-

Reconciliation of number of ordinary shares

The exercise of warrants resulted in increases in the number of issued and paid-up capital shares, the issued and paid-up share capital, and the share premium, as follows:

	Number of issued and paid-up share capital (Thousand shares)	Issued and paid-up share capital (Thousand Baht)	Share premium (Thousand Baht)
Balance as at 1 January 2017	1,218,564	304,641	229,764
Increase in capital from warrant exercise	49,453	12,363	86,543
Balance as at 31 December 2017	1,268,017	317,004	316,307
Increase in capital from warrant exercise	245,013	61,253	428,772
Balance as at 31 December 2018	1,513,030	378,257	745,079

14. 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.

15. Expenses by nature

Significant expenses classified by nature are as follows:

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

16. Income tax

Income tax expenses are made up as follows:

	(Unit: Thousand Baht)	
	2018	2017
Current income tax		

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

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

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Deferred tax on actuarial loss	-	135
	-	135

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

(Unit: Thousand Baht)

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

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

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

17. Earnings per share

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

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

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

Financial statements in which equity method is applied					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>



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

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

18. Dividend paid

Dividends	Approved by	Number of shares (Thousand shares)	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2016	Annual General Meeting of the shareholders on 4 April 2017 Board of Directors'	1,219,518	121,951	0.10
Interim dividends on operating results for the six-month period ended 30 June 2017	Meeting on 10 August 2017	1,250,977	75,059	0.06
Total dividends for the year 2017			197,010	0.16
Dividends for 2017	Annual General Meeting of the shareholders on 25 April 2018 Board of Directors'	1,336,406	53,456	0.04
Interim dividends on operating results for the six-month period ended 30 June 2018	Meeting on 14 August 2018	1,513,030	60,521	0.04
Total dividends for the year 2018			113,977	0.08

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

Geographic information

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

(Unit: Thousand Baht)

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

Major customers

For the years 2018 and 2017, the Company has no major customer with revenue of 10% or more of an entity's revenues.

20. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3% of basic salary. The fund, which is managed by Krungsri Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 2 million (2017: Baht 2 million) were recognised as expenses.

21. Commitments and contingent liabilities

21.1 Capital commitments

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

21.2 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 6 million (2017: Baht 6 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of the business to guarantee electricity use.

22. Financial instruments

22.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, short-term loans, trade and other payables and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

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

(Unit: Million Baht)

	As at 31 December 2017				Interest rate (% per annum)
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	
Financial assets					
Cash and cash equivalents	-	259	-	259	0.10 - 0.375
Trade and other receivables	-	-	724	724	-
Total	-	259	724	983	
Financial liabilities					
Short-term loans from financial institutions	918	61	-	979	2.09 - 2.90 and MMR
Trade and other payables	-	-	286	286	-

Long-term loans	-	159	-	159	LIBOR/SIBO R + 1.5
Total	918	220	286	1,424	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

As at 31 December 2018

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

As at 31 December 2017

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate (Baht per 1 foreign currency unit)
US dollar	17	7	32.64

Forward exchange contracts outstanding are summarised below.

As at 31 December 2018

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



As at 31 December 2017

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

22.2 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.

23. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the financial statements in which the equity method is applied's debt-to-equity ratio was 0.52:1 (2017: 1.11:1) and the Company's debt-to-equity ratio was 0.52:1 (2017: 1.12:1).

24. Event after the reporting period

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

25. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2019.



13.2 Table for Major Financial Ratio

Financial Ratio	2017	2018
<u>Liquidity Ratio</u>		
Current Ratio	1.07	1.61
Quick Ratio	0.71	1.05
Receivable Turnover Ratio	2.72	2.77
Average Collection Period	134.18	131.89
Inventory Conversion Ratio	3.88	3.64
Inventory Conversion Period	93.98	100.31
Payable Turnover Ratio	4.98	5.62
Average Payment Period	73.23	64.99
Cash Cycle	154.93	167.20
<u>Profitability Ratio</u>		
Gross Margin	22.93	18.95
EBIDA Margin	23.60	19.81
EBIT Margin	13.00	8.93
Net Profit Ratio	9.96	6.56
Return on Equity	16.92	8.61
<u>Efficiency Ratio</u>		
Return on Asset	10.21	4.83
Asset Turnover	0.79	0.74
<u>Leveraging Ratio</u>		
Debt to Equity Ratio	1.11	0.52
Interest Coverage Ratio	9.42	7.88
Dividend Payout Ratio	67.71	95.00



Financial Ratio	2017	2018
<u>Cash Flow</u>		
Cash inflow (outflow) from operating activities	314.63	408.04
Cash inflow (outflow) from investing activities	(388.97)	(215.91)
Cash inflow (outflow) from financing activities	201.66	(363.32)
<u>Percentage of change</u>		
Percentage of change – Sales	-0.36	-1.97
Percentage of change – Cost of Sales	5.25	3.10
Percentage of change – Total Revenue	1.10	-2.71
Percentage of change – Total Expense	8.24	1.23
Percentage of change – Net Profit	-28.51	-31.99

14. Management Discussion and analysis

Executive Summary

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

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

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

(Unit : Million Baht)

Separate financial statements

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

(Unit : Million Baht)

Financial statements in which equity method is applied

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

Total Revenues

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

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

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

Cost of Sales and Services

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

Selling and Administrative Expenses

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

Financial Cost

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

Net Profit

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

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

1. SAFE Energy Holdings Company Limited ("SAFE") is the joint venture that the Company holds 33.37%. Currently, the project has commenced the operation of biomass gasification power plant of 7.5 MW of Prize of Wood Green Energy Co., Ltd. (PWGE). SAFE invests 99.99% in PWGE, 49% in Bina Puri Power (Thailand) Co., Ltd., and 100% in SAFE Biomass Co., Ltd. For the period ended 31 December 2018, the Company recognized the profit from investment in joint venture of Baht 6.83 million.
2. FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA., the joint venture of FPI, was held 45% by the Company. In 2018, the Company recognized profit from investment in joint venture of Baht 0.07 million.
3. ALP FPI PARTS PRIVATE LIMITED. the Company holds 45% as a joint venture. The Company recognized loss from investment in joint venture of Baht 10.43 million during this period.

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

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

Total Assets

As at 31 December 2018, the Company's total assets was Baht 2,553.47 million, decreased by Baht 238.72 million from the balance as at 31 December 2017. There were a decreased of Baht 46 million of trade and other receivables as the company could urge oversea debtors to pay faster. On the other hand, there is an increased in ending inventory, especially in the OEM parts following customers' orders and to meet customers' demand at the end of the year. The balance of property, plant and equipment also increased from the investment

in new molds. Moreover, the increased in investment in joint ventures is mainly from the increased in capital of Safe Energy Holding Co., Ltd., and ALP FPI PARTS PRIVATE LIMITED which have already registered during this period.

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

Total Liabilities

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

Shareholders' Equity

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