



บริษัท ฟอ์จูน พาร์ท อินดัสตรี จำกัด (มหาชน)

FORTUNE PARTS INDUSTRY PUBLIC COMPANY LIMITED

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Subject : Management Discussion & Analysis of Performance Results of Quarter 1/2016

To : Board of Directors and President of The Stock Exchange of Thailand

Fortune Parts Industry Public Company Limited (“FPI” or “The Company”) would like to submit the reviewed of interim financial statements for the three-month period ended 31 March 2016 which has been reviewed by certified public auditor as follows :

Overall performance results of the Company for the three-month period ended 31 March 2016, compared to the same period of the previous year were as highlighted below ;

	(Unit : Million Baht)		
	<u>Q1/2016</u>	<u>Q1/2015</u>	<u>% Change</u>
Sales and Service Income	466.72	428.39	+8.95
Cost of sales and Services	338.98	339.27	-0.09
Selling and Administrative Expenses	4.71	45.09	-5.27
Financial Cost	8.87	9.43	-5.93
Net Profit	64.00	37.17	+72.18

Total Revenues

In the three-month period ended 31 March 2016 and 2015, total revenues of the Company decreased from Baht 440.84 million to Baht 470.14 million, increased by Baht 29.30 million or 6.65%. Sales and Service Income amounted to Baht 466.72 million for the three-month period ended 31 March 2016 increased by Baht 38.33 million or 8.95% compared to the same period of previous year. The mainly reasons were the domestic sales increased from OEM projects and export sales increased from Asia zone such as Saudi Arabia and United Arab Emirates. Sales from Australia and New Zealand zone increased from OEM project of Suzuki brand. Result, gross profit increased in Q1/2016 equals 27.37% and the Q1/2015 was 20.80% Additionally, gross profit of the plastic bumper REM increased from unit of production increased, Resulting in lower unit costs. The gross profit of Trading products increased due to Baht weakened, unit price was higher.

Cost of sales and Services

In the three-month period ended 31 March 2016 and 2015, total cost of sales and services of the Company decreased from Baht 339.27 million to Baht 338.98 million, decreased by Baht 0.29 million or 0.09% due to lower plastic price for plastic raw materials. Manufacturing plastic bumper REM increase the unit of production increases. Resulting in lower unit costs.

Selling and Administrative Expenses

In the three-month period ended 31 March 2016 and 2015, total selling and administrative expenses of the Company decreased from Baht 45.09 million to Baht 42.71 million, decreased by Baht 2.38 million or 5.27%, due to freight charge decreased by 32.03% compared to the same period of previous year.

Financial Cost

In the three-month period ended 31 March 2016 and 2015, total financial cost of the Company decreased from Baht 9.43 million to Baht 8.87 million, decreased by Baht 0.56 million or 5.93% due to financial cost and cheaper financing compared to the same period of previous year.

Net Profit

In the three-month period ended 31 March 2016 and 2015, net profit of the Company increased from Baht 37.17 million to Baht 64.00 million, increased by Baht 26.83 million or 72.18% due to cost of sales and service, selling and ministrative expenses and financial cost decreased compared to the same period of previous year. The Company has a higher proportion of OEM, lower raw material, lower cost of production. Also in the three-month period ended 31 March 2016, The Company also have revenue portion from OEM increased from 6.56% in the three-month period ended 31 March 2015 to 18.16% or up to 201.80% compared to the same period of previous year.

Financial Position (in comparison to as of 31 December 2015)

Overall financial position of The Company as of 31 March 2016, compared to the statement of financial position as of 31 December 2015, increased from Baht 2,359.15 million to Baht 2,359.47 million, increased by Baht 0.32 million or 0.01% due to factors as summarized below ;

Total Assets

As at 31 March 2016, total assets was Baht 2,359.47 million, increased by Baht 0.32 million from the ended 31 December 2015 mainly due to fixed assets increased by Baht 0.67 million from investment in fixed assets increased by Baht 50.32 million, which have depreciation on period by Baht

49.65 million, investment in joint venture increased by Baht 6.55 million and investment in associates increased by Baht 11.36 million. Cash and cash equivalents increased by Baht 3.31 million, trade receivable decreased by Baht 18.77 million. The Company received payment of long outstanding trade receivables increased both domestic and abroad, in particular, Libya and Brazil. Inventories increased by Baht 10.07 million from the purchase of raw materials, other components and finished products for OEM applications.

Total Liabilities

As at 31 March 2016, total liabilities was Baht 1,348.06 million, decreased by Baht 65.25 million from the ended 31 December 2015, mainly from the decreased of long term loan from bank amounted of Baht 2.12 million and from the decreased of short term loan from bill of exchange, packing credit and letter of credit amounted of Baht 95.89 million, The Company has liquidity increase and demand for short-term loans declined. Trade payables and other payables increased with the purchase of chemicals and other components for OEM.

Shareholders' Equity

As at 31 March 2016, shareholders' equity was Baht 1,011.41 million increased by Baht 66.26 million from Baht 945.15 million as at 31 December 2015 mainly due to the net profit from operating for the period by Baht 64.00 million and shares to be issued from exercise of warrants increased by Baht 2.26 million.

Please be informed accordingly.

Yours sincerely,

-Mr.Sompol Tanadumrongsak
Managing Director