

**Minutes of Annual General Meeting of Shareholders for the Year 2012**  
**Of**  
**Forth Corporation Public Company Limited**

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**Date and place of the meeting**

The meeting was held on Friday 30<sup>th</sup> March 2012 at 14.00 P.M. at the Victory room, 2<sup>th</sup> Floor, at Vic3 Bangkok Hotel, 89 Phaholyothin Soi 3, Phaholyothin Road, Phayathai, Bangkok.

**Call to order**

The Company's officer welcomed all shareholders attended the meeting and introduced the Board of Directors, management, auditors, and independent lawyer of the Company to the shareholders as follows:

**Directors (9 persons)**

1. Mr. Sanit	Worapanya	Chairman of Board of Directors/Independent Director
2. Mr. Sutham	Malila	Chairman of Audit Committee/Independent Director
3. Ms. Nongram	Laohaareedilok	Audit Committee/Independent Director
4. Mr. Pongchai	Amatanont	Director/Chief Executive Officer
5. Mrs. Rangsi	Lerttripinyo	Director/Senior Executive Vice President/ Corporate Secretary
6. Mr. Kaelic	Amatanont	Director
7. Mrs. Matinee	Wandeepirom	Director
8. Mr. Boonya	Tantipanichaphan	Director
9. Ms. Chonticha	Siripongpreeda	Director

**Management (2 persons)**

1. Mr. Chatchavin	Pipatchotitham	Executive Vice President
2. Mr. Arin	Jamnaree	Financial Controller

**Auditors and independent lawyer**

1. Mr. Suratthep	Thechama	Independent Lawyer
2. Ms. Waraporn	Prapasirikul	Representative Auditor of Ernst & Young Office Limited
3. Mrs. Arada	Daoroj	Audit Manager of Ernst & Young Office Limited

The Company's officer invited Khun Sanit Worapanya, Chairman of the Board of Directors/independent director, to be a chairman of the meeting. The chairman then greeted the shareholders attended the meeting and welcomed them to the Annual General Meeting of Shareholders for 2012 of Forth Corporation Public Company Limited ("the Company") and presided over the meeting that the Company welcomed all opinions of shareholders in order to improve operation. As a public company, the Company focused on the business operation with transparency, good governance and be investigation clearly. It was the most significant issue for the Company. As well as the preparation of the Company for the Asean Community or Association of South East Asian Nations that would be occurred in the upcoming years. Later, the chairman assigned Khun Arin Jamnaree, Financial Controller, to preside over the meeting for consideration of the whole agenda procedures of the meeting.

Before the consideration of each agenda, the Company's officer declared the quorum of the meeting that there were 118 shareholders who presented by themselves and proxy appointments with 733,725,124 shares or equivalent to 76% of the total paid-up capital which constituted a quorum of the meeting pursuant to the law.

Subsequently, Khun Arin explained the procedure for casting votes in respect of each agenda item as follows:

- One share shall be entitled to one vote.
- Each shareholder has a right to vote equivalent to a number of shares held by the shareholder including the shares held by proxy holding.
- In the voting cast of each agenda, the shareholders and proxies should mark '✓' in the box "APPROVED" (if it is agreed) or mark '✓' in the box "OPPOSED" (if disagreed with the agenda) or "ABSTAINED" (if it is neutral), then sign off at the end of ballot.
- In case of Power of Attorney has been assigned and vote has been done, ballots will not be given except if all votes have not been done. Then the authorized person can vote on behalf of the shareholders. The officer(s) of the Company will give the ballot for such particular agenda(s).
- Any shareholders who have any conflict of interest in any particular agenda, they must be abstained from vote or the Company will request shareholder to leave the meeting temporarily. However appointment of director agenda, all the shareholders are eligible for vote without having any conflict of interest.
- The ballots will be counted only "OPPOSED" and "ABSTAINED" ballot. The number of those votes will be deducted from the total votes of the shareholders present and eligible to be, to represent the "APPROVED" votes.
- The result of ballots count shall be displayed on the projector screen in each agenda.

Khun Arin presented an example of ballot and computer screen of the result of the ballots count on the project screen to the meeting.

- The resolution of meeting will be composed of as follows:
  - o Agenda 1, agenda 3 - 5 and agenda 7 should be approved by the majority vote of shareholders who attend the meeting and cast their votes.
  - o Agenda 2 is the acknowledge agenda, then no vote casting.
  - o Agenda 6 must be approved by a vote of not less than two-third of total shareholders who attend the meeting and are eligible for vote.

Khun Arin provided the shareholders an opportunity to propose questions on casting vote procedure but no any other shareholder proposed. He informed that for set up meeting's agenda, the Company has announced on the Company's website to invite agenda proposal from the shareholders in advance however there were no any proposals of agenda. The Board of Directors therefore announced the meeting to consider the agenda which was approved by the Board of Directors on February 20th, 2012. He asked the meeting to consider each agenda as follows.

#### **Agenda 1 To certify the Minutes of Annual General Meeting of Shareholders for 2011**

Khun Arin declared into the meeting that the Company arranged the Annual General Meeting of Shareholders for 2011 on 8<sup>th</sup> April 2011. The minutes of meeting have been prepared and submitted to the relevant authorities within the specified period, including disclosure on the Company's website. The minutes also sent to the shareholders as an attached document together with the invitation letter for the 2012 Annual General Meeting of Shareholders in order to approve the minutes. Khun Arin provided the shareholders an opportunity to ask questions and opinions. He requested the shareholders to present their names and surnames before. However, there were no shareholders who proposed any question or opinion. He asked the meeting to certify the Minutes of Annual General Meeting of Shareholders for 2011.

**Resolution:** The meeting considered and certified the Minutes of Annual General Meeting of Shareholders for 2011 with voter turnout as follows:

Number of Shares Vote	: 733,257,976 Votes
Approved	: 733,257,976 Votes equivalent to 100.00%
Disapproved	: None
Abstained	: None

## **Agenda 2 To acknowledge the annual operating results for 2011**

At first, Khun Chatchavin Pipatchotitham, Executive Vice President, introduced the new website of the Company (www.forth.co.th) as well as briefed the business operation of the Company and subsidiaries that had divided into 4 categories as follows: 1) EMS business composes of the manufacturing and distribution of printed circuit board, electronic equipment and electronic component sourcing which has 62% of the revenues from main business. 2) Telecommunication business composes of telecommunication solutions and telecommunication equipment manufacture and distribution which has 18% of the revenues from main business. 3) Technology related business composes of traffic light manufacture and distribution, installation of CCTV, electronic sign manufacture and distribution, electronic meters manufacture and distribution, tracking system manufacture and distribution, advertising fee collection on smart traffic boards and enterprise resource planning service which has 16% of the revenues from main business. 4) Online service top-up business composes of domestic and overseas business which has 4% of the revenues from main business. Khun Pongchai Amatanont, Chief Executive Officer would describe a detail of future plans of these businesses during the last session.

Khun Chatchavin mentioned about the manufacturing facility of the Company had 16,000 square meters which located in Nakornprathom province. Its production capacity was 5,000 million points per year which composed of 14 SMT lines, 3 lines of Manual Insertion and 2 lines of Final Assembly with over 1,000 personnel. In addition, he also introduced research and development department (R&D) which had over 200 personnel to conduct research and development and launch new products to market with cheaper price than imported products.

Later, Khun Chatchavin elaborated the significant changes and development of the Company in 2011 as follows.

- The Company established new subsidiary named, Forth Consulting Company Limited. Its core business provided enterprise resource planning service.
- Metropolitan Electricity Authority (MEA) agreed to purchase SAP license including 1 year maintenance service and total project was approximately Baht 436 million.
- The Company paid interim dividend to the shareholders for the operation of first half year of 2011 at Baht 0.12 per share, a total of Baht 115.2 million.
- The expansion overseas business by establishment of FPT Payment Technology Joint Stock Company in Vietnam.
- The Company also received 3 consecutive years of best supplier award from Pioneer (Thailand) Co., Ltd.
- Joint Venture Genius signed a contract of installation of CCTV with Bangkok Metropolitan Administration with project value of Baht 376 million.
- At the end of 2011, Forth Smart Service Co., Ltd. installed 13,000 kiosks with over 350,000 daily transactions and top up value was Baht 2,750 million.
- Forth Tracking System Co., Ltd raised the registered capital from Baht 10 million to Baht 20 million.

Subsequently, Khun Chatchavin assigned Khun Arin to summarize the operating results of the year 2011 to the meeting as follows.

### **Summary of operating results**

Unit: Million Baht

	2011	2010	2009
Total revenues	8,885	11,633	10,045
Net profit	370	318	72

The Group had total revenues of Baht 8,885 million decreased by Baht 2,748 million compared to total revenues in 2010 at Baht 11,633 million as the result of the decreasing printed circuit electronic boards turkey contract with one major client, Western Digital.

However, the Group had net profit of Baht 370 million in 2011, increased by 16.35% compared to net profit in 2010 of Baht 318 million. The increase of profit was from the sale of SAP license for Metropolitan Electricity Administration (MEA). In 2010, the Company has already recorded loss provision of ERP project of Baht 116 million and the Company did not liable for loss of such project as the project has already been approved by MEA since the second quarter of 2011.

**Revenue structure of the Group**

	2011		2010		2009	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%
EMS business	5,461	61.57	8,986	77.84	8,329	83.26
Telecommunication business	1,636	18.44	1,782	15.44	1,056	10.55
Technology related business	1,432	16.15	639	5.53	605	6.05
Online service top-up business	341	3.84	137	1.19	14	0.14
<b>Total revenues from main business</b>	<b>8,870</b>	<b>100.00</b>	<b>11,544</b>	<b>100.00</b>	<b>10,004</b>	<b>100.00</b>

**Electronics Manufacturing Service business (EMS)**

In 2011, the Company generated revenue from EMS business, amounting to Baht 5,461 million which decreased by Baht 3,525 million or 39.23% compared to previous year. As one major client, Western Digital has been affected by severe floods in many areas of Thailand during the fourth quarter of 2011. Therefore it has affected to the Company on part of revenues from Western Digital amounted to Baht 4,638 million which decreased by Baht 3,432 million or 42.53% compared to a Baht 8,070 million of revenue in 2010.

**Telecommunication business**

In 2011, the Company generated revenue from telecommunication business, amounting to Baht 1,636 million which decreased by Baht 146 million compared to previous year. Those changing were considered as non significant issue. In 2011, a Baht 825 million (2010: Baht 955 million) of revenue was derived from installation of MSAN 577K projects for TOT PCL.

**Technology related business**

In 2011, the Company generated revenue from technology related business, amounting to Baht 1,432 million which increased Baht 793 million or 124.10%. It was mainly derived from sale of SAP license and maintenance services for Metropolitan Electricity Authority, amounting to Baht 394 million and revenue from implementation of ERP system, amounting to Baht 212 million for Metropolitan Electricity Authority.

**Online service top-up business**

In 2011, the Company generated revenue from online top-up service business, amounting to Baht 341 million, which increased by Baht 204 million or 148.91% because the number of kiosks has increased from 8,000 kiosks to 13,000 kiosks or increased by 5,000 kiosks.

**Capital structure**

Unit: Million Baht

	2011	2010	2009
Total assets	5,496	6,452	5,425
Total liabilities	4,066	5,129	4,295
Total shareholders' equity	1,430	1,323	1,130

As at 31 December 2011, the Group's assets was Baht 5,496 million, decreased by Baht 956 million compared to 2010 due to the decrease of current assets amounted to Baht 956 million. It was mainly derived from the account receivable and inventory of turkey project of Western Digital that decreased significantly. When Western Digital affected from severe floods, it would be impacted to the Company to reduce production in response to those situation.

As at 31 December 2011 and 2010, the Group had total liabilities amounting to Baht 4,066 million and Baht 5,129 million, respectively, which decreased by 20.73% . It was mainly derived from decreasing account payable that related to turnkey project of Western Digital in the same direction of decreasing account receivable and inventory of related turkey project of Western Digital. In addition, the Company received long-term loans, amounting to Baht 350 million for working capital and also asset acquisitions along with long-term loans repayment with amount of Baht 195 million.

As at 31 December 2011 and 2010, the shareholders' equity of the Group was Baht 1,430 million and Baht 1,323 million, respectively, increased by Baht 107 million because the net profit in 2011 was Baht 371 million. Meanwhile, the shareholders' equity of the Group decreased due to dividend payment of Baht 259 million.

### Financial ratios

During the past 3 years, the ratios of return on assets and return on equity have dramatically increased and can be summarized as follows.

	2011	2010	2009
Return on assets (%)	13	5	1.5
Return on equity (%)	27	26	7

### Dividend payout ratio

In 2011 and 2010, the Company paid dividend of Baht 0.29 per share (71% of net profit in the separated financial statements) and Baht 0.27 per share (75% of net profit in the separated financial statements), respectively. However, the dividend payment from the operating results of 2011 depended on the resolution of the meeting of shareholders at this time.

After Khun Arin summarized the operating results of the Company in 2011, he has provided shareholders an opportunity to ask questions and opinions with presenting their names and surnames before proposal.

**Shareholder: Mr. Kananut Yonghong** asked question that at first he praised the operation results of the Company even though total revenues decreased but the net profit was over Baht 370 million. Therefore he would like to know why the profit was increased.

Khun Sanit Worapanya, Chairman of the Board of Directors, clarified that the certain types of products that the Company manufactured in large volume but profit margin was relatively low for example product for Western Digital. Although, the Company received low profit margin on this project, the Company continued to serve this company because it is the world leader in hard disk business. As the result, the Company has obtained creditability for the manufacturing of products for world leading company as well as raised the Company's image in dealing business activities with financial institutions to be easy and convenience such as debt financing. In addition, the Company has expanded its business lines in order to minimize risk and sustainability for the Company as well. The Company was only Thai company that strongly focused on intellectual property for example registered patent for Boonterm kiosk. Then the chairman asked Khun Pongchai elaborated in depth details.

Khun Pongchai Amatanont, Chief Executive Officer, further clarified that actually the Company expected to generate net profit over Baht 400 million but the flood disaster affected to its business. Although the manufacture facility was not flooded, it must be suspended production more than 2 months because surrounding areas nearby facility was flooded. In addition, flood also affected major customer of the Company, Western Digital. It temporarily suspended order and also some customers who installed telephone network as well. During the year, the Company could generate profit from additional sale of SAP license for ERP project to Metropolitan Electricity Authority. In this year, the Company expected to generate more profit from an annually maintenance service and computer hardware upgrade.

**Shareholder: Mr. Kananut Yonghong** asked question that at this moment, ERP project had only one customer, Metropolitan Electricity Authority which completely delivered the project. The Company has any plan to seek more customers in ERP project.

Khun Pongchai further explained that ERP project of the Company was the development and implementation of computer system for SAP software. During January 2012, State Railway of Thailand assigned the Company to implement ERP system (for Airport Link project) with value of Baht 150 million. Furthermore, Thai Airways PCL also assigned the Company to implement ERP system on part of finance and accounting module. Most of the jobs were assigned to the Company because the Company could deliver project to Metropolitan Electricity Authority even loss incurred. That why many companies was confidence on the Company's performance. In the future, Provincial Electricity Authority has policy to reconstruct all the electric system by changing electric meter to be smart grid system with value over Baht 100 billion within the next 10 years. Budget allocation on this project every year would expect to be a minimum of Baht 10 billion and Metropolitan Electricity Authority plans to operate the same project as well.

Shareholder: Mr. Kananut Yonghong asked question that why the revenue from project increased over Baht 100 million while cost was over than Baht 300 million as it occurred in the same direction of revenue from service which increased over Baht 200 million while the cost of service was over Baht 240 million. He would like the Chief Executive Officer to clarify this issue. Furthermore why Debt to Equity ratio was too high and had any possibility to decrease in the future although this year was lower than that of last year. In the future if the Company will have plan to raise fund by issuing warrant, how it would affect to cost of capital.

Khun Pongchai clarified that the Company strongly focused on Debt to Equity ratio. During the last year, the Company has widely expanded Boonterm kiosk which was one factor to increase this ratio. However, he would elaborate in details in next agenda.

Khun Chatchavin further clarified that increasing cost of project as a result of the accounting treatment of ERP project which the Company had already recorded loss provision last couple years ago while it could not recognize revenue at that time. This year, the Company has already delivered that project successfully, then the Company could recognize both revenue and cost in the income statement of this year. However the cost of this project was higher than project revenue. Normally the project could generate 30-40% of profit. The increase of service income from top-up business was derived from service charge revenue which had approximately 50% of gross profit margin and sharing with franchisees. However it could not compare with that of last year as this year the number of kiosk has enormously increased.

Shareholder: Mr. Peeranard Chotipattana asked question that financial statements were confusing as the Company recorded loss provision from project and also reversed of loss provision of project in the income statement. He would like to know if we eliminated both items, what was the Company's operating results.

Khun Arin clarified that the account related to ERP project with amount of Baht 277 million did not have any effect on profit or loss of this year. The Company has already recorded loss provision in the financial statements of previous years. Furthermore, Khun Chatchavin clarified that it was an accounting treatment in accordance with accounting principles that would not record revenue when it has not yet been incurred but only loss incurred. This year, the revenue of the project has been incurred, therefore it could recognize both revenue and cost as well as loss provision. Therefore net effect of this transaction would be zero. In this year, the Company could generate revenue from additional sale of licenses to Metropolitan Electricity Authority.

Later, when there were no shareholders proposing any questions and opinion, Khun Arin asked the meeting to acknowledge the above operating results.



**Agenda 3 To approve the balance sheet and income statement for the year ended 31<sup>st</sup> December 2011**

Khun Arin declared in the meeting that to the sections 112 and 113 of the Public Limited Companies Act B.E. 2535 and the Articles of Association No. 57, the Company must prepare and propose the annual report and balance sheet and income statement to the meeting for approval. The balance sheet and income statement for the year ended 31<sup>st</sup> December 2011 was existed in the subject of “Financial Statements” in annual report of 2011 between 68<sup>th</sup> page to 103<sup>rd</sup> page which were audited and certified by auditor of the Company with unqualified opinion. He provided shareholders an opportunity to ask questions and opinions with presenting their names and surnames first.

**Shareholder: Mr. Chatchai Siritevaikul**, representative from Thai Investor Association asked that why the selling and administrative expenses of this year were higher than those of last year.

Khun Arin clarified that the increase of the selling and administrative expenses was mainly derived from a part of production cost with amount of Baht 24 million which included in the selling and administrative expenses instead of production cost. As the impact of severe floods in the fourth quarter of 2011, the Company therefore reduced production capacity. In addition, allowance for doubtful accounts receivable and other receivables increased by Baht 20 million and the impairment of the right to derive benefit from the smart traffic boards increased by Baht 16 million.

When there were no shareholders proposing any questions and opinions. Khun Arin asked the meeting to approve the balance sheet and income statement for the year ended 31<sup>st</sup> December 2011.

**Resolution:** The meeting considered and approved the balance sheet and income statement for the year ended 31<sup>st</sup> December 2011 with the following votes:

Number of Shares Vote	: 733,295,081 Votes
Approved	: 733,295,081 Votes equivalent to 100.00%
Disapproved	: None
Abstained	: None

**Agenda 4 To allocate the net profit and approve dividend payment for operating results of 2011**

Khun Arin declared that according to the section 116 of the Public Limited Companies Act B.E. 2535 and the Articles of Association No. 51, the Company shall allocate not less than 5% of its annual net profit less the accumulated loss brought forward (if any) to a statutory reserve until the reserve reaches 10% of the registered share capital. In addition, the Company has a policy to pay dividends to the shareholders at the rate of not less than 40% of the net profit after corporate income tax, accumulated loss brought forward (if any) and appropriation of statutory reserve in accordance with the Company’s separate financial statements. However, the Board of Directors may set the rate of dividend payout less than the one mentioned above depending on the operating results, financial situation, liquidity and the necessity to expand the operation as well as the reserve on circulating capital of the operating of the organization.

The Company has appropriated retained earnings as the statutory reserve - at the beginning of 2011, amounting to Baht 39,926,330.97. The net profit of the separated financial statements was Baht 394,919,950.90. Therefore the Company must allocate the net profit of Baht 8,073,669.03 as statutory reserve for bring the total statutory reserve to Baht 48,000,000 or 10% of the registered share capital as required by law. The Board of Directors have already considered to propose to the shareholders’ meeting to allocate this mentioned amount as statutory reserve as well as approved the annual dividend payment for the operating results for the year ended 31<sup>st</sup> December 2011 at the rate of Baht 0.29 per share, a total amount of Baht 278.4 million. The amount of Baht 0.09 per share will be paid from the taxable profit which was subject to 30% corporate income tax, which individual shareholders are entitled to a tax credit in accordance with Section 47 bis of the Revenue Code. The remaining amount of Baht 0.20 per share will be paid from the profit exempted from paying corporate income tax (BOI). It included with an interim dividend payment for the first half year of 2011 at the rate of Baht 0.12 per share. The total amount of interim dividend payment was Baht 115.2 million. Therefore the balance of dividend payment in this period will be paid at the rate of Baht 0.17 per share, amounting to Baht 163.2 million. The amount of Baht 0.09 per share will be paid from the taxable profit which was subject to 30% corporate income tax, which individual shareholders are entitled to a tax credit in accordance with Section 47 bis of the Revenue Code. The remaining amount of Baht 0.08 per share will be paid from the profit exempted from paying corporate income tax (BOI).

The record date to determine shareholders' name for the right to receive the dividend is scheduled on 11<sup>th</sup> April 2012 in respect to Clause 225 of the Securities and Exchange Act. The closing date of shareholders register book will be on 12<sup>th</sup> April 2012. The dividend shall be paid on 27<sup>th</sup> April 2012.

Khun Arin provided the shareholders and opportunity to ask questions and opinions. When there are no more shareholders proposing any questions and opinions. He asked the meeting to consider allocating the net profit and approve dividend payment for the operating results of 2011.

**Resolution:** The meeting considered to allocate the net profit and approve the dividend payment for the operating results of 2011 with the following votes:

Number of Shares Vote	: 733,295,081 Votes
Approved	: 733,295,081 Votes equivalent to 100.00%
Disapproved	: None
Abstained	: None

**Agenda 5 To consider and elect replacing directors who shall retire by rotation**

Khun Arin declared into the meeting that according to the sections 70 and 71 of the Public Limited Companies Act B.E. 2535 and the Articles of Association No. 17 and No. 18, they stipulates that at the Annual General Meeting of Shareholders in every year one-third of the directors must retire from the position. The directors who are retired, they could be elected to be directors again. In the 2012 Annual General Meeting of Shareholders, there are three directors who shall retire are as follows:

- |                                 |  |
|---------------------------------|--|
| 1. Mr. Pongchai Amatanont       | Position: Director/Chief Executive Officer         |
| 2. Mrs. Rangri Lertripinyo      | Position: Director/Senior Executive Vice President |
| 3. Ms. Chonticha Siripongpreeda | Position: Director                                 |

The Company announced the proposal of nomination through the website of the Company in order to propose the candidates for the election of directors but there are no any proposals of candidates to the Company. Therefore, the Board of Directors proposed the meeting to make reappointment of three directors mentioned above to prior positions.

Khun Arin provided the shareholders an opportunity to ask questions and opinion however there are no more shareholders proposing any questions and opinions. After that, he asked the meeting to consider and elect replacing directors who shall retire by rotation by individually.

**Resolution:** The meeting considered and agreed to appoint those 3 retired directors to be directors for another term proposed which the meeting considered and elected the directors individually with following votes:

1. Mr. Pongchai Amatanont	Position: Director/Chief Executive Officer
Number of Shares Vote	: 733,407,381 Votes
Approved	: 733,407,381 Votes equivalent to 100.00%
Disapproved	: None
Abstained	: None



2. Mrs. Rangsi Lerttripinyo	Position: Director/Senior Executive Vice President
Number of Shares Vote	: 733,407,376 Votes
Approved	: 733,407,376 Votes equivalent to 100.00%
Disapproved	: None
Abstained	: None
3. Ms. Chonticha Siripongpreeda	Position: Director
Number of Shares Vote	: 733,407,376 Votes
Approved	: 733,407,376 Votes equivalent to 100.00%
Disapproved	: None
Abstained	: None

#### **Agenda 6 To approve the remuneration of the directors for 2012**

Khun Arin declared into the meeting that according to the section 90 of the Public Limited Companies Act B.E. 2535 and the Articles of Association No. 34, they specified that the directors have right to obtain the remuneration in form of cash reward, meeting attendance fee, gratuity, bonus or other remunerations which depend upon the Annual General Meeting of Shareholders' consideration. The Boards of Directors considered judiciously the remuneration in line with industry benchmark and appropriate to the duty and responsibilities of each director including business opportunity and profitability of the Company. The Boards of Directors found that it is appropriate to propose the meeting to approve the remuneration of directors for 2012 which was consisted of meeting attendance fee and gratuity. Details of directors' remuneration were as follows:

#### **Meeting attendance fee**

• Chairman of Director	33,000	Baht per each attendance
• Director	22,000	Baht per each attendance
• Chairman of Audit Committee	49,500	Baht per each attendance
• Audit Committee	46,200	Baht per each attendance

The above-mentioned meeting attendance fees for 2012 were determined at the same rate of those of 2011. The meeting also determined the annual gratuity for 2012, not exceeding Baht 1.0 million (2011: Baht 1.0 million) and allocated to the Non-executive directors and/or independent directors.

Khun Arin further elaborated that the directors who were shareholders of the Company considered having special interest on this matter. Therefore they did not entitle to vote on this agenda.

Khun Arin provided the shareholders an opportunity to ask questions and opinion however there are no more shareholders proposing any questions and opinions. He asked the meeting to approve the remuneration of the directors for 2012.

**Resolution:** The meeting considered and approved the remuneration of the directors for 2012 with the following votes:

Number of Shares Vote	: 79,662,081 Votes
Approved	: 79,662,081 Votes equivalent to 100.00%
Disapproved	: None
Abstained	: 22,000 Votes equivalent to 0.02%

**Agenda 7 To consider the appointment of the Company's auditors for 2012 and determination of their remunerations**

Khun Arin declared into the meeting that according to the section 120 of the Public Limited Companies Act B.E. 2535 and the Articles of Association No. 59 and No. 60, they stipulates that at the Annual General Meeting of Shareholders in every year the appointment of auditors and remuneration approval must be existed or reappointment possible. Due to the consideration of audit committee, the Board of Directors found that it is appropriate for the meeting to consider the appointment of auditors from Ernst & Young Office Limited to be the Company's auditors for 2012 which each auditor from below auditor list could audit and provide opinion for the Company's financial statements.

1. Mr. Supachai Phanyawattano Auditor License 3930 and/or  
(An auditor who signed off the Company's financial statements in 2011)
2. Mr. Narong Pantawong Auditor License 3315 and/or  
(Never signed on the Company's financial statements)
3. Ms. Tippawan Nananuwat Auditor License 3459  
(Never signed on the Company's financial statements)

In case that those auditors could not be on duty, Ernst & Young Office Limited will provide new auditor list of its office replacing them. The above auditors have not any relationship and/or conflict of interest with the Company, subsidiaries, directors, major shareholders or connected persons. In addition, the auditors of Ernst & Young Office Limited still are the auditors of our subsidiaries and associates, total of seven companies. The Boards of Directors found that it is appropriate to propose the meeting to approve the remuneration of auditors for 2012 at the same rate as the remuneration of 2011. For other non-audit service from Ernst and Young Office Limited were service fees paid for certified accounting information and observation of inventory destruction with total amount of Baht 30,000.

Khun Arin provided shareholders an opportunity to ask questions and opinions in this agenda.

**Shareholder: Mr. Kananut Yonghong** asked question that hiring auditors to audit both the Company and its subsidiaries amounted to Baht 3 million. It was any possible that the auditors would not charge audit fees for certified accounting information. Why it should have process of observation of inventory destruction. How often this process would be done? And how much of stocks destroyed in each year?

Khun Pongchai clarified that stocks which had been destroyed were damage or obsolete. They must be destroyed for utilisation of tax benefit. It could be considered as a deductible expense under the Revenue Code. The destruction of stocks was followed by the rules of the Revenue Department which required auditors to be an observer. The Company therefore hired an auditor of Ernst and Young Office Limited to be the observer in this stock destruction.

There were no shareholders who demonstrated any opinion or question. Khun Arin then asked the meeting to consider the appointment of the Company's auditors for 2012 and determination of their remunerations.

**Resolution:** The meeting considered and appointed the above-mentioned 3 auditors and also determined their remunerations at the rate of Baht 1,090,000 with the following votes:

Number of Shares Vote	: 733,407,381 Votes
Approved	: 733,407,381 Votes equivalent to 100.00%
Disapproved	: None
Abstained	: None

**Agenda 8 Consideration of other matters (if any)**

When the meeting did not have any issue to consider, therefore the chairman asked Khun Pongchai to describe the presentation of future projects in 2012 to the meeting.

Khun Pongchai has described each business operations as follows.

### **EMS business**

During November 2011 to December 2011, the Company was affected by floods. Although the manufacturing facility was not affected, surrounding area and supply chain was affected. However, the order has been placed and gradually increased since January 2012. There was over 90% of placing order in March 2012. Furthermore, the Company was received orders from new customers for example Benchmark Electronic (Thailand) Co., Ltd and etc.

### **Telecommunication business**

This year both TOT PCL and CAT Telecom PCL would invest in National Broadband project. Although, there were over 18 million households in Thailand, not more than 5 million households could access to internet. Therefore there were many opportunities for the Company to serve or bidding any upcoming projects for supporting National Broadband policy. Most of products were researched and developed by the Company's R&D team. According to National Broadband policy, TOT PCL would launch NGN Project with value over Baht 13 billion, however this project would be delayed and it would be advantage for the Company. As the Company has already installed many MSAN network for large projects and there were empty slots for inserting additional cards for increasing speed of internet or even Fttx card. The sale of cards could generate more profit. In addition, CAT Telecom PCL would launch project of FTTx with worth over Baht 6 billion and also improved IP Network with value of Baht 1.35 billion. In addition, government plans to install free Wi-Fi more than 30,000 points and the Company has been conducted research and development this WI-Fi system which was cheaper than import product. The Company has conducted research to develop Android tablet which connected to IP phone and coming with speaker. This product would be released to public and private sectors.

### **Technology related business**

- The Company has already completed ERP project with MEA with maintenance service fee over Baht 100 million this year.
- Nurse call has been actually installed in many leading hospital such as Siriraj, police hospital and etc.
- Intelligence intersection has been dramatically expanded with value over Baht 80 million.
- LED street light, MEA has policy to change street light to be LED light which has 50% energy saving.
- Tracking system has been installed over 10,000 vehicles and generated profit every year.
- Electric meter, Provincial Electricity Administration has a policy to change meter to be smart grid in next 10 years which all data would transmit through computer system. The Company has project to bid meter project with MEA in the next month.

### **Online top-up business**

The Company did not have policy to sell kiosk but doing as franchise business. All transactions would directly connect to service operator and the Company's server for providing fast service. This kiosk had 99.99% accuracy in top up value as well as sending SMS to confirm transaction. The revenue from service would be divided 50% with franchisee. The Company plans to expand and implement kiosks in this year. Nowadays, the revenue of the Company is approximately 13% of top-up value (4.5% from service operator's commission and 8-9% from service charge). Currently, there were 17,000 kiosks in nationwide with daily top-up Baht 12 million and over 440,000 daily transactions. In addition, the Company has 24 hours call center to serve customers.

At present, monthly average revenue per unit (ARPU) was approximately Baht 23,000 and prospected Baht 5,000 million of top-up value and it will be increased to Baht 8,000 million in the next year. The Company has increased 1,000 kiosks every month. The Company would increase kiosk up to 30,000 kiosks and ARPU would be Baht 25,000 per month.

In the next 1-2 years, the Company would launch new kiosk which provided both vending machine and top up value for example vending machine, condom machine, bill payment machine and drinking water machine. This drinking water kiosk could top up cell phone and also produce purify water which was controlled quality and hygiene by computer system. Normally the drinking bottled water has high logistic cost. Hence the Company designed the compressed bottle to be small for logistic purpose. It would be located in nationwide. In addition, this kiosk would produce soda, mineral and cold water.

For oversea top-up business, the Company has already expanded investment in Philippines and Vietnam. There were 600 kiosks in Philippines and 1,000 kiosks in Vietnam. Indonesia was on the process to seek the partner.

Later, Khun Pongchai provided shareholders an opportunity to ask questions and opinions.

**Shareholder: Mr. Chatchai Siritevakul**, representative of Thai investor association asked that EMS business had major customer which had revenue proportion over 50% of total revenue. How does the Company mitigate this risk? Due to Telecommunication business has high competition, what was the competitive advantage of the Company in this business.

Khun Pongchai clarified that the Company is aware of the reliance of Western Digital. However the Company has policy to reduce its reliance by seeking new customer. At this moment, the production capacity was not enough for demands as many new customers have placed order to manufacture printed circuit electronic boards. Therefore, the Company planned to expand additional 2 production lines to meet with increasing demand in this year.

Telecommunication business has high competition especially from China. However the mega projects from government must distribute to several business operators as it could not allow only one business operator to responsible for large project. For the upcoming project was quite complicated and required expertise and times to handle it. Therefore it must distribute to several operators.

**Shareholder (Didn't mentioned name)**: asked that did the Boonterm business reach breakeven and when it could reach. How long kiosk would be depreciated.

Khun Pongchai clarified that the depreciation of kiosk was 5 years and operated by Forth Smart Service Co., Ltd. In January 2012, the operating results of this company gradually generated profit. However during the past several years, its operating results were still loss because several reasons were that the increase of depreciation derived from profit on sale of Boonterm kiosks which have been manufactured by the Company. Furthermore, the company could not charge full amount of franchise fee to the buyers as it would like to increase number of kiosks.

Khun Chatchavin further clarified that Forth Smart Service Co., Ltd. had operating loss with amount of Baht 25 million last year and the main reason was depreciation with amount of Baht 85 million. But when we added back the depreciation of such item and found that this company has already generated Baht 60 million of cash profit. If we considered the consolidated operating results, this business has already generated profit.

**Shareholder (Didn't mentioned name)** asked that at this moment, how many percentage of shares in Forth Smart Service Co., Ltd. was held by the Company and why the Company must hold only this proportion.

Khun Pongchai clarified that the Company hold only 51% of its capital. Due to another group of investors advised marketing strategy to expand Boonterm business that why the Company must share the remaining proportion to them.

**Shareholder: Mr. Kananut Yonghong** asked question that what was the Company policy to handle debt to equity ratio and how long was kiosk's useful life and what was the policy to retain research and development's personnel.

Khun Pongchai clarified that the Company strongly concentrated on this issue and tried to reduce it. However the Company provided more trade credit limit to Forth Smart Service Co., Ltd. Consequently, debt to equity ratio was quite high. The Company plans to raise capital of this subsidiary for business expansion and also loan repayment of this company. Consequently, it would reduce debt to equity ratio.

The useful life of Boonterm kiosk was 8-10 years as we used the high quality of material same as telephone network. For vending machine, we imported the used machine from Japan and implemented to perform top-up function. The electronic circuits have useful life of over 5 years.

The Company has provided good welfare and working place, as well as rewarding if the R&D team could launch new product on times. The turnover rate was quite low. In Asian countries, no any countries have R&D department like us whom strives to contribute in research and manufacture products by Thai people such as FTTx, MSAN and other products.

**Shareholder: Khun Kraiwan Kathawanitch** thanked to Khun Pongchai and executive team that have already resolved the problem of product as informed in the previous shareholders' meeting. Furthermore, he also informed that on 86th page of annual report did not mention the unit of currency for "Directors and management's benefits" as well as "Short-term loans to related companies". After that, he asked question that bill payment (counter service) had smaller size whether it aimed to locate in convenience store for performing transaction same as 7-11 convenience store or not. What was the competitive advantage between Boonterm and competitors? Why Boonterm has more stability than other kiosks. Management mentioned early that this kiosk has 99.99% of accuracy rate. How it was different accuracy from ATM and any possibility to out of service in some period. Did the Company have any plan to locate Boonterm kiosk in factory?

Khun Pongchai clarified that the purpose of bill payment was produced for high value transaction such as electricity bill, telephone bill and etc. These transactions generated lower return than mobile top-up service. The bill payment also requires barcode scanner and printer to prevent any mistake that might occur.

Boonterm kiosk has GPRS antenna as ATM. The Company is a producer of GSM router for other companies to install in ATM. Therefore any communication system would be same as ATM. In addition, kiosk has embedded IP security for protection.

Reference to the accuracy rate of 99.99%, people used our service via Boonterm kiosks over 400,000 transactions at this time. However, it was found bank note or coin struck only 200 transactions which was quite small proportion comparing to total transactions. However, the Company was responsible by returning money. Any occurring problem was user did not know how to use machine. Once the user knew, those problems would be less. Our kiosks did not give the change therefore the problem was lower than ATM.

The Company has already installed kiosks in factory compound. The top-up value was Baht 400,000-500,000 per month even in market "Talaad Thai" also had high value of top-up as well.

**Shareholder: Khun Preeranard Chotipattana** asked that Boonterm had high cost of investment as continuing expansion whether minority shareholders had ability to rise capital or not.

Khun Pongchai clarified that after raising fund, the minority shareholders must dilute and remain only 10% of shares.


**Shareholder: Khun Preeranard Chotipattana** asked that after the Company completely delivered ERP project to MEA, why the Company still had project with Thai Airways PCL and State Railway of Thailand. Did the Company have clear and concise contract legally to prevent any previous problem same as ERP project of MEA


Khun Pongchai clarified that mistake definitely would not occur again. The Company was subcontractor for a Germany company in Airport link project but some problem occurred that why this project must be suspended even though it has almost completed the project. When it reopened for auction, the Company also entered to bid and won it with value more than last times.

ERP project for Thai Airways PCL did not have any problem because we used to work with a consulting company whom had been worked with this company before and the user also understood ERP system. The most significant issue of ERP was the user. If the user understood system, the job would be smooth. However, there were several companies requested the Company to implement ERP projects but the Company denied as it might be some problems in the future.

When time was appropriated and no any questions from shareholders, the chairman appreciated shareholders for all the question and recommendation to further improvement of the Company. The past successful performance of the Company has been proven in many aspects. The Company would be competed with world leading company in the future. Finally, he declared to finish the meeting.

The meeting was finished at 17.30 P.M.

Signed..........Chairman of Meeting  
(Mr. Sanit Worapanya)

Signed..........Secretary to the Committee  
(Ms. Suphaluck Paramaswat)