

23<sup>rd</sup> March 2018

- Subject:** Invitation for the 2018 Annual General Meeting of Shareholders
- To:** The Shareholders of Forth Corporation Public Company Limited
- Attachments:**
1. Copy of the minutes of the 2017 Annual General Meeting of Shareholders (Attachment 1)
  2. Annual report 2017 (Attachment 2)
  3. Biography of the nominated candidates as the directors of the Company for another term and the nominated candidates as the new directors (Attachment 3)
  4. The Company's Articles of Association, procedures and conditions regarding the 2018 Annual General Meeting of Shareholders (Attachment 4)
  5. Proxy forms and biography of independent directors (Attachment 5)
  6. Map of meeting location (Attachment 6)

Notice is hereby given to our shareholders that the 2018 Annual General Meeting of Forth Corporation Public Company Limited ("the Company") will be held on Monday 23<sup>rd</sup> April 2018, at 02:00 p.m. The agenda are as follows:

**1<sup>st</sup> Agenda: To certify the minutes of the Annual General Meeting of Shareholders for the year 2017**

**Facts and reasons** The Company arranged the 2017 Annual General Meeting of Shareholders on Friday 7<sup>th</sup> April 2017. The minutes of the meeting had been prepared and submitted to the Stock Exchange of Thailand within the specified by relevant regulators, including disclosure on the Company's website. The minutes of meeting is enclosed in the 2018 AGM invitation document package (Attachment 1).

**The BOD's opinion** After due consideration, the Board found it appropriate for the meeting to certify the minutes which had been accurately and completely recorded.

**2<sup>nd</sup> Agenda: To acknowledge the operating results for the year 2017**

**Facts and reasons** The significant changes and annual operating results demonstrated in the Company's annual report for 2017 (Attachment 2), which can be summarised as follows:

(Unit: Million Baht)	2017	2016	Increase (decrease)	% increase (decrease)
Total assets	8,149	6,869	1,280	18.6
Total liabilities	5,429	4,240	1,189	28.0
Total shareholders' equity	2,720	2,629	91	3.5
Total revenues	7,165	5,426	1,739	32.0
Net profit	272	366	(94)	(25.7)
Earnings per share (Baht/Share)	0.28	0.38	(0.10)	(26.3)

**The BOD's opinion** After due consideration, the Board found it appropriate for the meeting to acknowledge the annual operating results for 2017.

**3<sup>rd</sup> Agenda: To consider and approve the statement of financial position and the statement of comprehensive income for the year ended 31<sup>st</sup> December 2017**

**Facts and reasons** The financial statements for the year ended 31<sup>st</sup> December 2017 were audited and certified by the auditor and presented under the section of “Financial Statements” in the Company’s annual report for 2017, which were distributed to the shareholders in the 2018 AGM invitation document package.

**The BOD’s opinion** After due consideration, the Board found it appropriate for the meeting to approve the statement of financial position and the statement of comprehensive income for the year ended 31<sup>st</sup> December 2017 that have been audited by the auditor.

**4<sup>th</sup> Agenda: To consider and approve the allocation of profit and the dividend payment for the year 2017**

**Facts and reasons** 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. 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 and accumulated loss brought (if any) in accordance with the separate financial statements. However, the Board of Directors might set the rate of dividend payout less than the one mentioned above depending on the operating results, financial position, liquidity and the need to expand its operations as well as the working capital requirements.

**The BOD’s opinion** After due consideration, the Board found it appropriate for the meeting to approve the allocation of the profit and the dividend payment for the year 2017 as follows:

- 1) The Company has already fully set aside the statutory reserve of Baht 48,000,000.
- 2) To approve the dividend payment for 2017 at the rate of Baht 0.42 per share, a total of Baht 403.20 million. The dividend will be paid from the net profit for the year 2017 and the retained earnings derived from the promoted operations at the rate of Baht 0.27 per share, which individual shareholders are not subject to withholding tax and shall not be entitled to a tax credit. The remaining amount of Baht 0.15 per share will be paid from the profit derived from 20% corporate income tax-paid business, which individual shareholders are subject to 10% withholding tax and shall be entitled to a tax credit. When including with an interim dividend payment for the first six-month period of 2017 at the rate of Baht 0.17 per share, totaling Baht 163.20 million, the balance of dividend payment in this period will be paid at the rate of Baht 0.25 per share, amounting to Baht 240.00 million.

The record date to determine shareholders’ name for the right to receive the dividend is scheduled on 16 March 2018. The dividend will be paid on 3 May 2018. The grant of this right is subjected to the approval by the shareholders’ meeting.

The comparison of dividend payment over the past 3 years was as follows:

	<u>Operating results</u>		
	<u>2017 (Proposed)</u>	<u>2016</u>	<u>2015</u>
Common stock (Million Shares)	960	960	960
Net Profit as per the separate financial statements (Million Baht)	394	457	568
Net Profit (Baht/Share)	0.41	0.48	0.59
Total dividend per share (Baht/Share)	0.42	0.34	0.32
Interim dividend (Baht/Share)	0.17	0.17	0.15
Dividend payment's date	8 <sup>th</sup> September 2017	9 <sup>th</sup> September 2016	10 <sup>th</sup> September 2015
Annual dividend (Baht/Share)	0.25	0.17	0.17
Dividend payment's date	3 <sup>rd</sup> May 2018	4 <sup>th</sup> May 2017	18 <sup>th</sup> May 2016
Total dividend payment (Million Baht)	403.2	326.4	307.2
Dividend payment rate (%)	103 <sup>(1)</sup>	71 <sup>(1)</sup>	54 <sup>(1)</sup>

Remark <sup>(1)</sup> The dividend payment rate shall be paid in accordance to the Company's dividend policy at the rate of not less than 40% of the net profit after corporate income tax and accumulated loss brought (if any) in accordance with the separate financial statements.

## 5<sup>th</sup> Agenda: To consider and elect directors in place of those be retired by rotation and appoint new directors

### Facts and reasons

According to the Article 18 of the Company's Article of Association stipulates that at the Annual General Meeting of Shareholders in every year, one-third of the directors must retire from the position. In 2018, three directors who shall retire by rotation are as follows:

- 1) Mr. Boonya Tantipanichapun Position: Director/Executive Director/  
Risk Management Committee
- 2) Mr. Kaelic Amatanon Position: Director
- 3) Mrs. Matinee Wandeepirom Position: Director/Nomination and Remuneration Committee

Moreover, the Board of Directors' meeting of the Company No. 1/2018 held on 23<sup>rd</sup> February 2018 acknowledged the resignation of the following 3 directors.

- 1) Mr. Sanit Vorapunya has resigned from the position of Audit Committee. However, he is still the Company's Chairman of the Board of Directors.
- 2) Mr. Sutham Malila has resigned from the position of Director, Independent Director, Chairman of Audit Committee and Chairman of Nomination and Remuneration Committee.
- 3) Ms. Nongram Laohaareedilok has resigned from the position of Director, Independent Director, Audit Committee, Chairman of Risk Management Committee and Nomination and Remuneration Committee.

With effect from the 2018 Annual General Meeting of Shareholders held on 23<sup>rd</sup> April 2018 has finished. The reason for resignation of the above-mentioned directors is to promote good corporate governance principles regarding a term of office of Independent Director shall not be over 9 years. The Board of Directors will hold the meeting to consider and appoint the Audit Committee to replace the resigned Audit Committee on 24<sup>th</sup> April 2018.

Therefore, it is necessary to appoint new directors for replacement of the directors who wish to resign from their positions as follows:

- 1) Mr. Somboon Muangklam      Position: Director/ Independent Director
- 2) Mrs. Vilasinee Puddhikarant      Position: Director/ Independent Director
- 3) Mrs. Pornpip Lerththongsak      Position: Director/ Independent Director

The Company announced the proposal of nomination and agenda through the website of the Company at [www.forth.co.th](http://www.forth.co.th) in order to propose the candidates for the election of directors as well as agenda issues for AGM but there are no any proposals of candidates and agenda to the Company. Nomination of the Board of Directors executes through the Nomination and Remuneration Committee. The Nomination and Remuneration Committee considered the qualification in terms of qualifications, knowledge, ability, experience that is beneficial to the business as well as performance as a director during the past year.

**The BOD’s opinion**

- 1) The Board of Directors, without 3 retired directors who have conflict of interest in this agenda, found it appropriate for the meeting to approve the reappointment of 3 directors which are Mr. Boonya Tantipanichapun, Mr. Kaelic Amatanon and Mrs. Matinee Wandeepirom to prior position on the Board of Directors.
- 2) The Board of Directors determined that the persons nominated to be independent directors will be able to express their opinion freely and in accordance with the relevant rules. The Board of Directors proposed to the shareholders’ meeting to approve the appointment of 3 new directors for replacement of the resigned directors which are Mr. Somboon Muangklam, Mrs. Vilasinee Puddhikarant and Mrs. Pornpip Lerththongsak to position on the Board of Directors/Independent Directors.

Please see the biography of the nominated candidates as the directors of the Company for another term and the nominated candidates as the new directors (Attachment 3).

**6<sup>th</sup> Agenda: To consider and fix the directors’ remuneration for the year 2018**

**Facts and reasons**

The determination of remuneration for directors is executed and considered through the Nomination and Remuneration Committee, ensuring that the amount is in line with industry benchmark and appropriate to the duty and responsibility. The consideration of business enhancement and profitability of the Company are included. The Nomination and Remuneration Committee considered the remuneration of directors for 2018 will be the same rate as the remuneration of 2017, as detailed below:

	<u>2018 (Proposed year)</u>	<u>2017</u>	
<b>Meeting attendance fee</b>			
Chairman of the Board of Directors	33,000	33,000	Baht per each attendance
Member of the Board of Directors	22,000	22,000	Baht per each attendance
Chairman of Audit Committee	49,500	49,500	Baht per each attendance
Member of Audit Committee	46,200	46,200	Baht per each attendance
Chairman of Risk Management Committee	15,000	15,000	Baht per each attendance
Member of Risk Management Committee	10,000	10,000	Baht per each attendance
Chairman of Nomination and Remuneration Committee	15,000	15,000	Baht per each attendance
Member of Nomination and Remuneration Committee	10,000	10,000	Baht per each attendance

- **Annual gratuity fee**

The amount of gratuity is not exceeding Baht 1.5 million (2017: Baht 1.5 million) and shall be allocated to the non-executive directors and/or independent directors.

**The BOD's opinion**

The Board of Directors has agreed with the Nomination and Remuneration Committee and proposed to the shareholders' meeting to approve the remuneration of the Company's Board of Directors for 2018.

**7<sup>th</sup> Agenda: To consider and appoint the Company's auditors and fix their remuneration for the year 2018**

**Facts and reasons**

The Audit Committee has selected auditors for 2018 in accordance with the selection process defined and proposed to the Board of Directors to propose the meeting to appoint auditors from EY Office Limited to be the Company's auditor for 2018. EY Office Limited has been recognised both locally and internationally and has sufficient personnel with the knowledge and appropriate audit fee. In addition, there is no relationship or conflict of interest in the Company/the executives/major shareholders or related persons. Any one of the individuals below will be responsible to review or audit and provide the opinion on the Company's financial statements.

1. Ms. Waraporn Prapasirikul      Auditor License 4579 and/or  
(An auditor who signed off the Company's financial statements for 2014-2015)
2. Mr. Narong Puntawong      Auditor License 3315 and/or  
(Never signed off the Company's financial statements)
3. Ms. Sirirat Sricharoensup      Auditor License 5419  
(An auditor who signed off the Company's financial statements for 2016 – 2017)

In case that the above-mentioned auditors could not be on duty, EY Office Limited will provide new auditors list of its office replacing them. Additionally, the auditors of EY Office Limited are still auditing our subsidiaries and associates in total of 12 companies (2017:12 companies).

The Audit Committee also determined the remuneration of the Company's auditors for 2018 at Baht 1,490,000 (2017: Baht 1,490,000) excluding miscellaneous expenses such as copying charges and travelling expenses that to be charged at actual cost. Fee for other non-audit service from EY Office Limited were paid for the observation of inventory destruction of 2 subsidiaries with the total amount of Baht 40,000 and the audit of general control of information technology system of a subsidiary with the total amount of Baht 720,000.

The comparison of the auditors' remuneration is shown below:

	<u>2018 (Proposed year)</u>	<u>2017</u>
		Unit: Baht
Audit fee of the Company	1,490,000	1,490,000
Audit fee of subsidiaries and associates	4,075,500	3,335,500
Non-Audit fees	-	760,000

**The BOD's opinion**

After due consideration, the Board found it appropriate for the meeting to consider the appointment of the auditors from EY Office Limited which are Ms. Waraporn Prapasirikul and/or Mr. Narong Puntawong and/or Ms. Sirirat Sricharoensup to be the auditors of the Company for 2018 and also fix their remunerations for 2018 in accordance to the appropriate consideration by Audit Committee.

**8<sup>th</sup> Agenda: To consider and approve the amendment of Clause 36 of the Company's Articles of Association**

**Facts and reasons**

According to the Order of the Head of the National Council for Peace and Order (NCPO) No. 21/2560 regarding the amendment to the law for the ease of doing business (4<sup>th</sup> April 2017), the National Council for Peace and Order had an agreement to amend some provisions of the laws which are section 100 of the Public Limited Companies Act B.E. 2535. Thus, the Company proposed to the Annual General Meeting of Shareholders to consider and approve the amendment of Clause 36 of the Company's Articles of Association as follow:

Existing clause

Clause 36 *The Board of Directors shall summon a shareholder meeting as "an annual general meeting of shareholders" within four (4) months as from the last day of the fiscal year of the Company.*

*The shareholder meetings other than the said meeting shall be called "extraordinary meetings."*

*The Board of Directors may summon an extraordinary meeting of shareholders any time as it deems appropriate. The shareholders holding shares amounting to not less than one-fifth (1/5) of the total number of shares sold or not less than twenty-five (25) shareholders holding shares amounting to not less than one-tenth (1/10) of the total number of shares sold may subscribe their names in a written request directing the Board of Directors to summon an extraordinary meeting at any time but the reasons for summoning such meeting must be clearly stated in such a request. In this event, the Board of Directors must summon a shareholder meeting within one (1) month as from the date of receipt of the request from the shareholders*

Revised Clause

Clause 36 *The Board of Directors shall convene an annual general meeting of shareholders within four (4) months from the last day of the fiscal year of the Company.*

*Meetings other than those specified above shall be called "the extraordinary general meeting."*

*The Board of Directors may summon an extraordinary general meeting whenever it deems appropriate or one or more shareholders holding shares amounting to not less than ten (10) percent of the total number of shares issued may, by subscribing*

*their names, makes a written request to the Board of Directors to call an extraordinary general meeting at any time, but the subjects and reason for calling such meeting shall be clearly stated in such request. In this regard, the Board of Directors shall proceed to call the meeting of shareholders to be held within forty five (45) days as from the date of receipt of such request from the shareholders.*

*In case the Board of Directors does not hold the meeting within the period as prescribed under the paragraph three, the shareholders who subscribe their names or other shareholders holding the number of shares as required may call such meeting within forty five (45) days as from the completion of such period. In this regard, the meeting shall be considered as the shareholders' meeting called by the Board of Directors. The Company shall be responsible for necessary expenses arising from such meeting and reasonably provide facilitation.*

*In case the quorum of the shareholders' meeting called by the shareholders as prescribed under paragraph four is not formed according to Clause 38 of the Company's Articles of Association, the shareholders as prescribed under paragraph four shall be collectively responsible to the Company for expenses arising from such meeting.*

**The BOD's opinion**

The Board of Directors has agreed to approve the amendment of Clause 36 of the Company's Articles of Association to be in compliance with the Public Limited Companies Act B.E.2535.

**9<sup>th</sup> Agenda: To consider other business (If any)**

Please be informed accordingly, as well as inviting all shareholders to attend the 2018 Annual General Meeting of the Shareholders on Monday 23<sup>rd</sup> April 2018, at 02:00 p.m. at 256, Forth Smart Service Office Building, 7<sup>th</sup> Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok.

Yours sincerely,



(Mr. Arin Jamnaree)

Corporate Secretary