

Summary of the Plan to Conduct IPO of Forth EMS Public Company Limited

Information Memorandum of the Offering of Shares in a Subsidiary of Forth Corporation Public Company Limited

The Meeting of Board of Director No 2/2566 of Forth Corporation Public Company Limited (the Company) which was held on February 24, 2023 had the resolution to approve the plan on offering of shares of Forth EMS Public Company Limited Company Limited (FEMS), a subsidiary company of the Company, to be listed on the Stock Exchange of Thailand (SET) (Spin-off), which there will then be an initial public offering (IPO) (Spin-Off Plan) by increasing the capital from capital of 400,000,000 Baht or equal to 800,000,000 shares at par value of 0.50 Baht to capital of 560,000,000 Baht or equal to 1,120,000,000 shares at par value of 0.50 Baht by increasing the capital of 160,000,000 Baht or issuing new ordinary shares of 320,000,000 shares at par value of 0.50 baht per share, which is 28.57% of the total issued shares of FEMS after IPO.

Therefore, after the IPO, the Company will remain to be a major shareholder of FEMS shareholding proportion decreased from 87.50% to 62.50% of the paid-up capital of FEMS after the IPO which FEMS will still be a subsidiary of the Company. The increase of FEMS' s capital could be allotted as follows:

- 1) Approved the allocation of newly issued ordinary shares of FEMS to the group entitled to subscribe for shares in proportion to their shareholding in the company (Pre-emptive Rights) in the amount of not more than 96,000,000 shares at a par value of 0.50 baht per share, which representing no more than 30.00% of the IPO shares. The remaining newly issued ordinary shares from the pre-emptive rights allocation will be included for public.
- 2) Approved the allocation of newly issued ordinary shares of FEMS after pre-emptive rights to the public and allocation for the patronages, related persons, directors, executives, and employees of FEMS which is not exceeding 25.00% of amount of IPO shares after deduction of pre-emptive rights shares.

In this regard, the Board of Director appointed Chief Executive Officer and/or the person appointed by Chief Executive Officer to determine the criteria, conditions and details of the IPO of FEMS under the Spin-off plan and authorize to perform any certain actions including but not limited to appoint an authorized person to proceed and cast its vote in FEMS shareholder meeting, filing relevant documents or coordinate with any relevant persons or authorities.

The plan to offer FEMS's newly-issued ordinary shares for IPO and list the share of FEMS in the Stock Exchange of Thailand may result in the dilution of the Company' s shareholding percentage in FEMS (Control Dilution Effect), and be considered to be the disposition of assets by a listed company in pursuant to the Notification of the Capital market Supervisory Board No. TorJor.20/ 2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets, B. E. 2004 and the amendment (Notifications on Assets Acquisition or Disposal). When calculating the decreased transaction size of the Company' s shareholding proportion in FEMS according to means provided in the Notifications on Assets Acquisition or Disposal, based on the Company's and FEMS's consolidated financial statements as of 31 December 2022, which were audited by the auditors, it is found that the transaction size will have the highest value when calculated from the criteria of Net Profit in the amount of 11.81%. Besides, during the past six months the Company has not disposed any asset as required to be included in the calculation of transaction size before the date that the BOD Meeting approved the plan to list FEMS' s shares in SET, which such transaction size would be not more than 15.00%. Therefore, the Company is not obliged to disclose the information regarding the transaction of asset disposal to SET. Also, the Company doesn't need to send a circular notice to shareholders and send to shareholders for approval, according to the details specified in the Notifications on Assets Acquisition or Disposal.

Nevertheless, such transaction is significant to the Company and the Shareholders and in order to comply with good corporate governance principles, the Board of Director therefore deemed it appropriate to propose to the Annual General Meeting of Shareholders and disclose the information of the transaction to SET. The detail of the transaction is prescribed hereto:

1. Transaction date

FEMS's Spin-Off Plan will occur after the Securities and Exchange Commission ("the SEC") permits the issuance and offering of newly- issued ordinary shares of FEMS which the Company holds for the Initial Public Offering (IPO) and will be subject to the Registration Statement and the prospectus for such aforementioned proceeds being effective.

2. Relevant parties and relationship with the Company

The offeror: FEMS, a subsidiary company of the Company, held 87.50% of shares by the Company.

The offerees: General public including but not limited to the Company's shareholders who are entitled to subscribe for such shares in accordance to their shareholding of the Company (Pre-emptive Rights), patronages, related persons, directors, executives, and employees of FEMS as the Board of Directors of FEMS and/ or any person who is appointed by Board of Directors of FEMS deems appropriate.

3. General description of the transaction, type and size of transaction

According to FEMS' s Spin-Off Plan which was approved by the BOD Meeting No. 2/2023 which was held on 24 February 2023, FEMS will issue the new ordinary shares in the amount not exceeding 320,000,000 shares with the par value of 0.50 Baht per share which is equivalent to 28.57% of the paid-up capital (after the issuance and offering of FEMS's ordinary shares). After the issuance and offering of FEMS's shares and the listing of FEMS's shares on the SET, the Company will decrease its shareholding proportion in FEMS from 87.50% of the paid- up capital of FEMS (before the issuance and offering of FEMS' s shares) to 62.50% of FEMS's paid-up capital (after the issuance and offering of FEMS's shares). The proportion of shareholding of the Company in FEMS will change for 25.00%.

When calculating the decreased transaction size of the Company's shareholding proportion in FEMS according to means provided in the Notifications on Assets Acquisition or Disposal, based on the Company's and FEMS's consolidated financial statements as of 31 December 2022, which were audited by the auditors, it is found that the transaction size will have the highest value when calculated from the criteria of Net Profit in the amount of 11.81%. Besides, during the past six months the Company has not disposed any asset as required to be included in the calculation of transaction size before the date that the BOD Meeting approved the Spin-Off Plan, which such transaction size would be not more than 15.00%. Therefore, the Company is not obliged to disclose the information regarding the transaction of asset disposal to SET. Also, the Company doesn't need to send a circular notice to shareholders and send to shareholders for approval, according to the details specified in the Notifications on Assets Acquisition or Disposal.

However, the Company would like to inform details of calculation of the transaction size as follows:

No.	Calculation criteria	Calculation means	Transaction size
1	Net Tangible Assets	NTA of FEMS x %Dilution NTA of FORTH	$(771.99 \times 25.00\%) / 1,703.45$ = 11.33%
2	Net Profit	Net Profit of FEMS x %Dilution Net Profit of FORTH	$(366.20 \times 25.00\%) / 774.90$ = 11.81%
3	Total Value of Consideration	Book Value of FEMS x %Dilution Total Asset of FORTH	$(820.24 \times 25.00\%) / 11,385.47$ = 1.80%
4	Value of Securities Issued by the Company	No need to calculate as it is the disposition transaction.	

4. General details of the disposed assets

4.1 Details of the issuance and initial public offering of FEMS's ordinary shares (IPO)

The offeror of securities	<ul style="list-style-type: none"> FEMS, a subsidiary company of the Company, held 87.50% of shares by the Company before the IPO
Type of securities offered	<ul style="list-style-type: none"> Newly issued ordinary shares of FEMS
Number of shares issued	<ul style="list-style-type: none"> Newly issued ordinary shares amount of 320,000,000 shares which is equivalent to 28.57% of FEMS's paid-up capital after the issuance and offering of ordinary shares according to FEMS's Spin-Off Plan
Par value	<ul style="list-style-type: none"> 0.50 Baht per share
Allocation proportion and Record Date to specify shareholders who are entitled to subscribe for the shares in accordance with their shareholding of the Company (Pre-emptive Rights)	<ul style="list-style-type: none"> FEMS's ordinary share subscription ratio is no more than 96,000,000 shares or not exceed 30.00% of the ordinary shares offered for Initial Public Offering (IPO) The Company's Board of Directors will specify the date indicating a list of Company's shareholders who are entitled to the allocation of such shares (Record Date), which will be specified after the SEC approves FEMS to sell its newly-issued shares to the general public. The Company will notify the shareholders not less than 14 days before the record date according to the SET' requirement.
Offering price	<ul style="list-style-type: none"> The offering price has not yet been determined. However, the offering price of the newly issued ordinary shares of FEMS which will be allotted to the Company's shareholders, only for the people who are entitled to subscribe or the shares in accordance with their shareholding of the Company (Pre-emptive Rights), shall be the same price as offered the newly-issued ordinary shares to the public.
Offering period	<ul style="list-style-type: none"> The FEMS's Spin-Off Plan will occur after the SEC permits the issuance and initial offering of newly- issued ordinary shares of FEMS to the Initial Public Offering (IPO) and will be subject to the Registration Statement and the prospectus for such aforementioned proceeds being effective.
Other details	<ul style="list-style-type: none"> The Company will then inform the details of the initial public offering (IPO) of FEMS to the shareholders. The details of above may be subjected to change upon discretion of Company's Board of Directors or FEMS' s Board of Directors and/ or any person who is appointed by Company' s Board of Directors or FEMS' s Board of Directors deems appropriate. Securities specified in this document do not include the offering or purchase of securities in the United States of America or any other country if such offering of securities is against the law of such country.

4.2 Details of FEMS

Nature of Business	<ul style="list-style-type: none"> Manufacturing and assembling circuit boards and electronic products to both domestic and foreign customers as well as provide procurement and distribution of electronic parts and equipment for industrial plants and general customers³
Headquarter Address	<ul style="list-style-type: none"> 77 Moo 11 Phuttamonthon 5 Rd., Rai Khing, Sampran, Nakhon Pathom 73210

Paid-up Capital	<ul style="list-style-type: none"> As of the date of this information, FEMS has paid- up registered capital of 400,000,000 Baht equal to 800,000,000 ordinary shares with a par value of 0.50 Baht per share. According to the FEMS Spin-Off Plan, FEMS will increase capital of 160,000,000 Baht by issuing and offering share in the amount of 320,000,000 shares at par value of 0.50 Baht per share. After this issuance and offering of ordinary shares of FEMS, FEMS will have a total registered capital of 560,000,000 baht or equal to 1,120,000,000 shares, par value 0.50 baht per share.
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4.3 The Board of Director's FEMS as of the date of this information Memorandum comprised of 9 members as consists of

Name	Position of FEMS	Shareholding proportion in FEMS as of the date of this Information Memorandum		Position of FORTH	Shareholding proportion in FORTH as of the date of this Information Memorandum	
		Share	Percent		Share	Percent
1.Mr.Arthorn Sinsawad	Chairman of Board of Director / Independent Director / Audit Committee	-	-	-	-	-
2.Ms.Nongram Laohaareedilok	Director / Independent Director / Chairman of Audit Committee	-	-	-	-	-
3.Mr.Chatchai Saksilapachai	Director / Independent Director / Audit Committee	-	-	-	-	-
4.Ms. Nisa Amatanon	Director	4,000,040	0.50	-	-	-
5.Ms. Leksika Amatanon	Director	-	-	-	-	-
6.Mr. Pattanan Amatanon	Director	40	< 0.01	Assistant Vice President of Project Development	1,120,000	0.12
7.Mr. Chawin Lerttripinyo	Director	40	< 0.01	Assistant Vice President of Research & Development	5,000,000	0.52
8.Mr. Chatchavin Pipatchotutham	Director	4,000,140	0.50	Assistant to Chief Executive Officer	-	-
9.Mr. Pichai Duangtaweessap	Director	26,600,020	3.33	-	-	-

4.4 List of shareholders of FEMS as of the date of this Information Memorandum

As of the date of this Information Memorandum, FEMS has a paid-up registered capital of 400,000,000 Baht equal to 800,000,000 shares with a par value of 0.50 Baht. After the issuance and offering of new shares, FEMS will have a registered capital of 560,000,000 Baht equal to 1,120,000,000 shares with a par value of 0.50 Baht per share with shareholder details as of the date of this Information Memorandum as follows:

No	Shareholders of Forth EMS Public Company Limited	Current shareholding proportion	
		Share	Percent
1	Forth Corporation Public Company Limited	699,999,380	87.50
2	Mr. Pichai Duangtaweessap	26,600,020	3.33
3	Mr.Tawatchai Ruangsilcharoen	11,000,020	1.38
4	Mr,Ekasin Boonman	6,000,020	0.75
5	Mr.Ong-art Siriwattanapolkul	6,000,020	0.75
6	Mr.Panuwat Kiatdechawit	6,000,020	0.75
7	Ms.Siriporn Chonchanapaiparn	6,000,020	0.75
8	Mr.Kitsapong Jittayanan	6,000,020	0.75
9	Mr.Anthony Hung Pham	6,000,020	0.75
10	Mr.Somchai Trakulveeramongkol	5,000,020	0.63
11	Mr. Chatchai Saksilapachai	4,000,140	0.50
12	Ms. Nisa Amatanon	4,000,040	0.50
13	Mr.Thomas James Davison	4,000,020	0.50
14	Ms.Salil Yeewangcharoen	3,000,020	0.38
15	Mr,Boonchuy Tonthum	3,000,020	0.38
16	Mr.Manoch Khumdee	2,000,020	0.25
17	Mr.pongroj Grissanasup	1,400,020	0.18
18	Mr. Pongchai Amatanon	40	0.00
19	Mrs. Rangsee Lerttripinyo	40	0.00
20	Mr. Chawin Lerttripinyo	40	0.00
21	Mr. Pattanan Amatanon	40	0.00
	Total	800,000,000	100.00

Remark: Information from the list of shareholders as of 15 February 2023.

**4.5 Summary of financial position and performance of FEMS.
Statement of Financial Position**

Unit: Million Baht

Statement of Financial Position	As of 31 December,		
	2020	2021	2022
Total Asset	597.52	1,442.05	2,639.20
Total Liabilities	350.33	1,044.69	1,818.96
Issued and fully paid-up	250.00	250.00	400.00
share capital	247.19	397.36	820.24

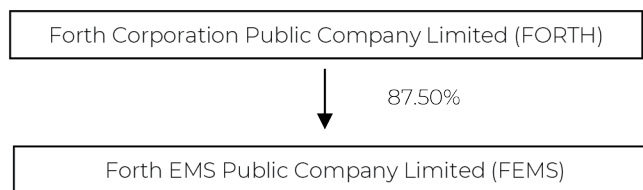
Statement of Comprehensive Income

Unit: Million Baht

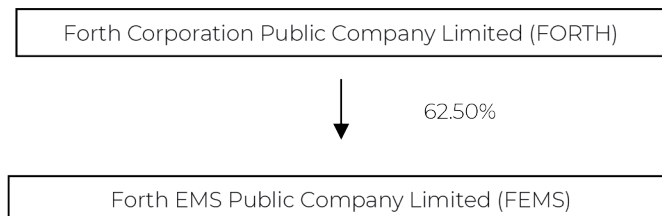
Statement of Comprehensive Income	For the year ended 31 December,		
	2020	2021	2022
Revenues from services and sales	801.77	1,995.20	4540.51
Cost of sales and services	719.62	1,704.74	3,850.28
Gross profit	82.15	290.46	690.24
Operating profit	10.04	195.91	486.77
Financial cost	(4.43)	(8.03)	(18.14)
Tax	(5.57)	(37.71)	(102.43)
Net profit	0.04	150.17	366.20

4.6 Shareholding Structure of FEMS before and after proceeding the plan to be listed on the SET

Structure of FEMS Before IPO



Structure of FEMS IPO



5. Total Value of Consideration and Basis to Determine the Value of Consideration

The total value of consideration will be in accordance with the price of Initial Public Offering of ordinary shares (IPO), which currently the offered price of FEMS's ordinary shares has not yet been determined. The Company then relies on the book value per share of FEMS based on financial statement ending on 31 December 2022 of FEMS, which was audited by auditors, in calculating according to such criteria.

However, the Company's Board of Directors, FEMS's Board of Directors, and/or any person who is appointed by the Company's Board of Directors or FEMS's Board of Directors will determine the offering price which will occur after the SEC approves the request for FEMS to the Initial Public Offering of newly-issued ordinary shares (IPO). The price of FEMS's ordinary shares offered to the Company's shareholders according to Pre-emptive Right shall be the same price as offered to the public.

6. Value of Disposable Assets

The value of disposed assets will be in accordance with the price of Initial Public Offering of newly issued ordinary shares (IPO), which currently the offered price of FEMS's ordinary shares has not yet been determined.

However, if considering the value of the disposed assets with reference to the book value of FEMS according to the financial statements for the year 2022 ended December 31, 2022, which have been audited by the auditor, FEMS has a book value of 820.24 million baht. When considering the Company's shareholding in FEMS which decreases by 25.00%, therefore the transaction value is equal to 205.06 million baht. The value of the disposed assets is not based on the market price of the stock of FEMS, because the offering price of newly issued ordinary shares has not yet been determined.

7. Benefits Expected from the Transaction

7.1 Benefits to the Company's Shareholders

- 1) The existing shareholders will be entitled to allocate the newly issued ordinary shares of FEMS in accordance to their shareholding in the Company (Pre-emptive Rights).
- 2) Increase investment options by choosing to invest in the Company or FEMS according to the investment policy.
- 3) When FEMS enters into SET trading, the value of investment in FEMS may increase by referring to the FEMS share price according to the market price, which may result in an increase in the value of the Company's shares and will benefit the Company's shareholders.

7.2 Benefits to the Company

- 1) To reduce the Company's burden to provide funding or financial support in long-term for FEMS, as FEMS will be able to mobilize funds by itself through Initial Public Offering (IPO) and through other financial instruments in capital markets or other sources after listing on SET.
- 2) The Company's share price will reflect the value of the investment in FEMS more because of the underlying market price for FEMS shares.

7.3 Benefits to FEMS

- 1) The listing of FEMS shares on SET will enhance FEMS's funding mobilization channels, thereby enhancing its capacity and access to more funding sources by itself which will enhance the competitiveness and expansion of FEMS's business in long term.
- 2) FEMS will receive funding from the shares offering to expand its business and the funding will also be used as working capital for the operation of business.
- 3) FEMS's reputation and image will be enhanced and FEMS will be more reputable.
- 4) After the registration of the Company on SET, the shares value of FEMS will reflect its underlying fundamentals and liquidity according to the market price.

8. Plan for the utilization of proceeds from the issuance and initial offering of FEMS's newly- issued ordinary shares for the general public

To serve for FEMS's business expansion in the future including improve of financial structure and to serve as working capital for the operation of business.

9. Conditions for the entry into the transaction

- 1) Approved from FEMS's Board of Directors meeting and Shareholders meeting to increase its registered capital and allocate FEMS's newly issued ordinary shares for the Initial Public Offering (IPO) and listing FEMS's ordinary shares as listed securities on SET, including any process in connection with the plan to be listed on SET.

- 2) FEMS is registered with the Department of Business Development, Ministry of Commerce, to increase its registered capital, including any relevant process in connection with the plan to be listed on SET.
- 3) FEMS is approved from the SEC to issue and offer its shares for the initial public offering, and upon the Registration Statement and the prospectus for such aforementioned proceeds being effective.
- 4) The SET approves the request on the principle to accept FEMS's ordinary shares as listed security.
- 5) FEMS registers the change of paid-up capital, after the offering of FEMS's newly issued ordinary shares to the general public.
- 6) Any other significant factor which may affect the decision to enter the transaction, for example, market condition and demands to invest in FEMS's shares. However, it shall be upon the discretion of the meeting of FEMS's Board of Directors.

10. Impact on the Company and its shareholders

- 1) Impact on profit share or voting rights (EPS Dilution Effect / Control Dilution Effect)

The issuance and offering of FEMS's shares to the public according to the Spin-Off Plan will result in the decrease of the Company's profit sharing or voting rights in FEMS for approximately not exceeding 25.00 of the existing profit sharing or voting rights. However, FEMS will offer some of the newly issued ordinary shares to the existing shareholders of the Company according to their shareholdings in the Company (Pre-emptive Rights) in order to decrease such dilution effect. The right to subscribe IPO shares of FEMS will be subjected to the discretion of the Company's Board of Directors, FEMS's Board of Directors and/or any person who is appointed by the Company's Board of Directors or FEMS's Board of Directors. Besides, the Company will remain to be a major shareholder of FEMS and FEMS will remain to be subsidiary company of the Company. The proportion of the Company's share in FEMS will decrease from 87.50% to 62.50% of FEMS's registered paid-up capital after IPO.

- 2) Impact on the market price of the Company's ordinary shares (Price Dilution Effect)

The Company expects that there will not be significant impact on the price of the Company's ordinary shares. Nevertheless, the dilution of the Company's shareholding in FEMS will result in a decrease in the Company's recognition of profit in FEMS from 87.50% of the paid-up capital (before the issuance and offering of shares of FEMS) to 62.50% (after the issuance and offering of shares of FEMS).

11. Opinions of the Board of Directors and the Audit Committee of the Company

The Board of Directors approved FEMS's Spin-Off Plan because it is a transaction that is beneficial to the Company and Shareholders of the Company, including FEMS.

12. Opinions of the Audit Committee of the Company differ from the opinions of the Board of Directors in accordance with No. 11.

-None-