

Annual Report 2013
Forth Corporation Public Company Limited

SUSTAINABLE GROWTH





[Awards of Pride]

National Innovation Award Winner in 2009 from the National Innovation Agency (NIA)

Product: Mini Multi Service Access Network (Mini-MSAN)

2009



Forerunner of Telecom Innovation Award in 2009 from the National Telecommunication Commission (NTC)

Product: Multi Service Access Network (MSAN)

Forerunner of 5 IT Princess Award (Nationwide IT) in 2010 from the Foundation for Research and Information Technology (Presided over by Her Royal Highness Princess Maha Chakri Sirindhorn)

Product: Multi Service Access Network (MSAN)

2010



Telecom Innovation Award in 2010 from the Telecommunications Research and Industrial Development Institute (TRIDI)

Product: FORTH X-TRAMS WDM Access Switch

The Best of National Innovation Award for Science & Technology in 2011 from the National Research Council of Thailand (NRCT)

Product: Multi Service Access Network (MSAN)

2011



The Best Supplier Awards from Pioneer Manufacturing (Thailand) Co., Ltd.,
Toshiba Career (Thailand) Co. Ltd. and Western Digital (Thailand) Co., Ltd. in 2011

The Performance Achievement Award from Western Digital (Thailand) Co., Ltd. in 2012

2012



[Table of Contents]

Message from Chairman of the Board of Directors	1
Message from Chief Executive Officer	2
Financial Highlights	3
Board of Directors and Management	5
Vision and Mission	9
Shareholding Structure of the Group	10
Nature of Business	11
Research and Development Project	17
Significant Changes and Development	25
Entities that own, directly and indirectly, 10% or more of the total issued shares	26
Revenue Structure	29
Risk Factors	30
Management Structure	33
Security and Shareholder Information	43
Corporate Governance	45
Corporate Social Responsibility	54
Internal Control and Risk Management	56
Connected Transactions	57
Management Discussion and Analysis of Financial Position and Operating Results	64
Audit Committee's Report	70
The Board of Directors' Responsibilities Report to Financial Statements	71
Auditor's Report	72
Financial Statements	74
General Information of the Company	127

Message from Chairman of the Board of Directors

Our company has entered into Asean Economic Community (AEC) with reliance on many aspects, including new product development, human resource preparation and moving the head quarter into new location to improve scenery and effectively support broad range of customer services.

For the business side, even if the revenue has diminished due to major order reduction, there are other projects indemnify. This resulted in the double profit since 2012 and continuously increases profit trend for the following years. We hope that if overall provincial economy enhances, our company would be opened to great opportunity especially neighbor Asian countries such as Myanmar, Cambodia, Laos, Vietnam, Malaysia and Indonesia.

The major threat is about production cost including labor wages and raw material impact to the competitiveness factors of Thailand. However, strong management on cost control and improve efficiency of manufacturing and other services and continuously improve which help our company stable operate and ready to grow in AEC society that we are about to get into in 2015.

On behalf of the Board of Directors, I would like to give the confidence to shareholders and all business partners that we would ensure the efficient management and continuously follow the standard of corporate governance to maintain the stability, reliability and confidentiality to our business.

Finally, I would like to thank you executive management and all staffs who mentally and physically exert for responsibility duty, along with all business partners that provide the best support to our business.



A handwritten signature in blue ink, appearing to read 'Sanit Vorapunya', written on a rectangular piece of paper with a faint grid pattern.

Sanit Vorapunya
Chairman of the Board of Directors

Message from Chief Executive Officer



Last year, 2013, was the challenging year for our business; the Company had net profit of Baht 254 million, which increased by Baht 134 million or 112% compare to 2012. The major factor was declining revenue from EMS business which resulted from order discontinued from the main customer namely “Western Digital (Thailand) Company Limited”. The expansion of online mobile top-up business through “Boonterm” machine raised both revenue and net profit. There are many growing technology related government projects, which happened in 2013, such as CCTV installation for the Traffic and Transportation Department and maintain enterprise resource planning (ERP) system for the Metropolitan Electricity Authority. Furthermore, the Company has expanded into lighting business and established subsidiary company namely “Forth Lighting Company Limited” to produce and distribute LED light bulb and variety of lighting equipment. The lighting products are all researched and developed by our R&D team. Nevertheless, the Company aware of business risk diversification, as a result we have focused on moving forward to other business that relate to electronic and telecommunication sector.

For the plan in 2014, our company would expand into digital TV converter business (Set Top Box) by collaborate with the business alliance. Furthermore, production and distribution of lighting equipment would proceed for many types of LED light bulb such as LED Street light, LED high bay light, and residential LED light. In addition, for online mobile top-up business, Forth Smart Service Public Company Limited is in the approval process for the filing (Form 69-1) and prospectus drafting by the Securities and Exchange Commission. Moreover, the Company considers seeking joint inventors to bring online mobile top-up business abroad, especially Indonesia.

Through great experiences in operating on the business for a long period, expert R&D team within telecommunication and electronic sector, excellent strategic management and engrossing executives and staffs, we believe that our company would sustainably develop and continuously grow, along with wealth generation to all investors.

In the past, achievements of the company were mainly from great support of investors, trustworthiness received from the value customers and the excellent efforts of executives and all staffs.

On behalf of executive team, I would like to thank everyone who trusts in our executive team to bring the Company continuously grows as same as in the past. Finally, the Company would maintain and persist in corporate governance and corporate responsibility.

Pongchai Amatanont
Chief Executive Officer

[Financial Hilight]

	2013	% change	2012	% change	2011
Statement of comprehensive income (Million Baht)					
Revenues from main business	4,471	-24%	5,887	-34%	8,870
Total revenues	4,520	-24%	5,938	-33%	8,885
Gross profit margin	1,038	-31%	790	-33%	1,185
Profit before finance cost and income tax expense	426	-74%	245	-55%	541
Net profit attributable to equity holders of the Company	254	-112%	120	-68%	370

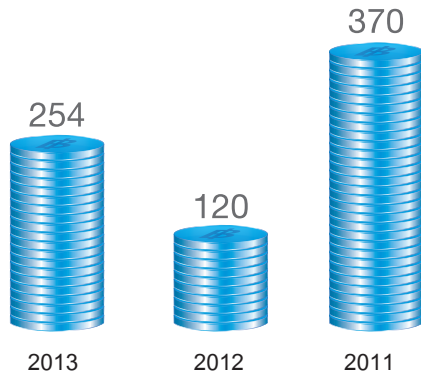
Statement of financial position (Million Baht)

Property, plant and equipment	986	18%	837	9%	769
Total assets	4,653	1%	4,618	-18%	5,632
Total liabilities	2,957	-1%	3,002	-26%	4,066
Total shareholders' equity	1,696	5%	1,616	3%	1,566

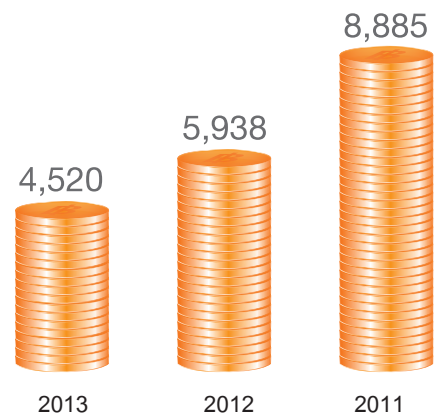
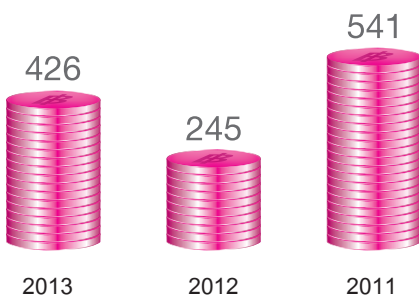
Financial ratios

Number of issued and paid-up shares (Million shares)	960	0%	960	0%	960
Book value per share (Baht)	1.77	5%	1.68	3%	1.63
Earnings per share (Baht)	0.26	112%	0.12	-68%	0.39
Net profit to total revenues	6%	178%	2%	-52%	4%
Return of equity ratio	15%	104%	8%	-71%	26%
Return of assets ratio	11%	110%	5%	-60%	13%
Cash from operating activities to total assets	13%	45%	9%	-25%	12%
Debt to equity ratio (time)	1.74	-6%	1.86	-28%	2.60

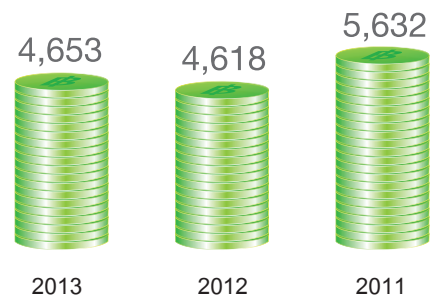
Net Profit (Million Baht)



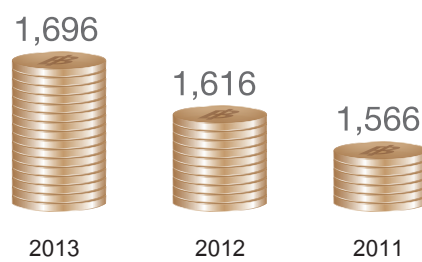
Total Revenues (Million Baht)

Profit Before Finance Cost
and Income Tax Expense (Million Baht)

Total Assets (Million Baht)



Total Shareholders' Equity (Million Baht)



[Board of Directors]



Mr. Sanit Vorapunya
Chairman of Board of Directors
Independent Director
Chairman of Audit Committee



Mr. Sutham Malila
Director
Independent Director
Audit Committee



Ms. Nongram Laohaareedilok
Director
Independent Director
Audit Committee



Mr. Pongchai Amatanont
Director
Executive Director
Chief Executive Officer



Mrs. Rangsee Lerttripinyo
Director
Executive Director
Senior Executive Vice President



Mr. Boonya Tantipanichapun
Director
Executive Director



Mrs. Matinee Wandeepirom
Director



Mr. Kaelic Amatanont
Director



Ms. Chonticha Siripongpreeda
Director

[Management]



Mr. Pongchai Amatanont
Chief Executive Officer



Mrs. Rangsee Lertripinyo
Senior Executive Vice President



Mr. Chatchavin Pipatchotitham
Executive Vice President



Mr. Sawat Erbchokchai
Vice President of Research
& Development



Mr. Pramote Pantina
Vice President of Production



Mr. Arin Jamnaree
Vice President of Accounting and Finance



Ms. Nitiya Songprapai
Vice President of Central Administration

[Vision]

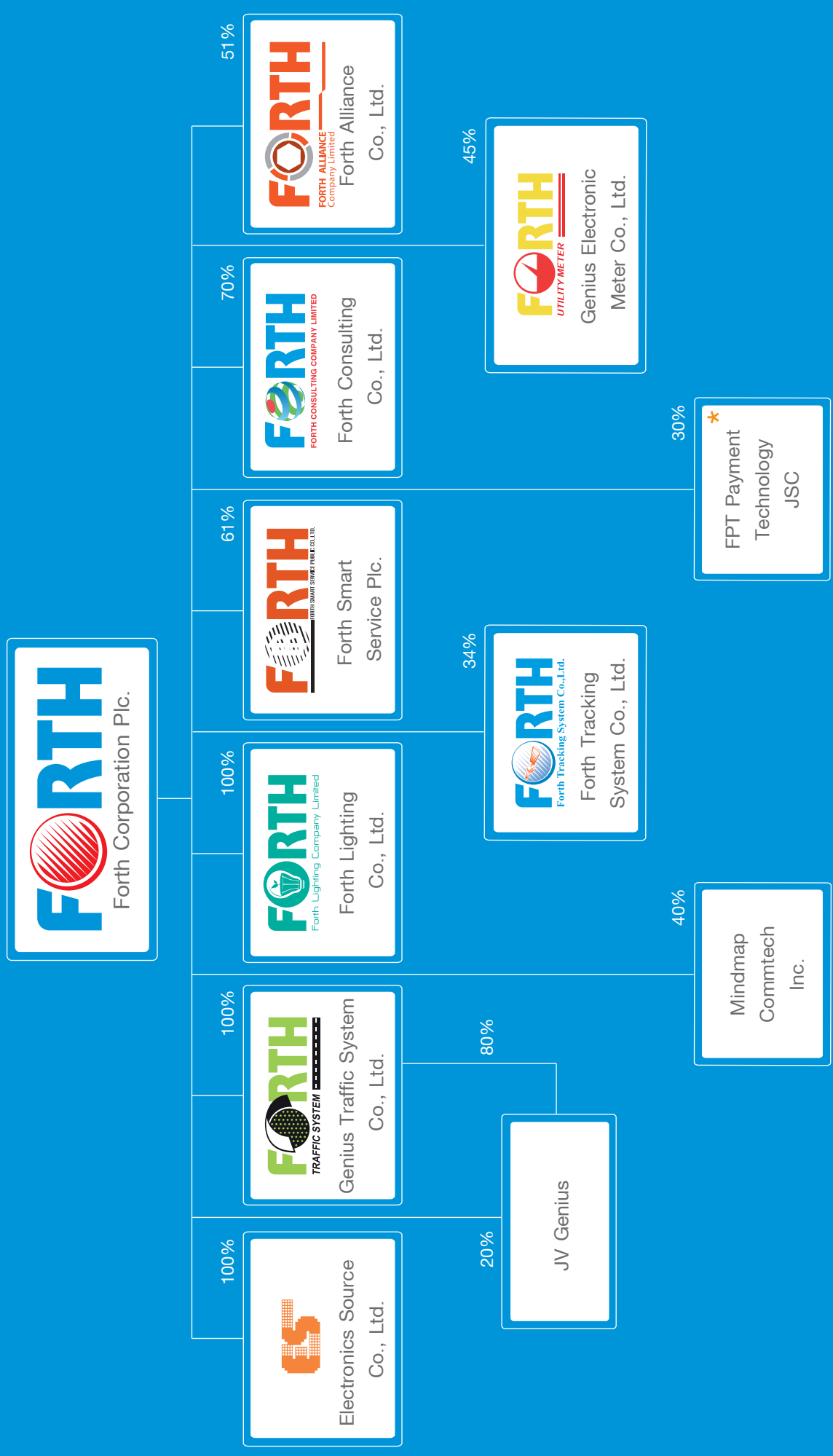
Forth Corporation Public Company Limited is the telecommunication and electronic business organization that endeavors to provide excellent products and full integrated services to align with the principle of corporate governance for sustainable development and corporate social responsibilities.



Mission

- To encourage research and development in order to enlarge the business for various products and services.
- To restructure business plans underlying marketing dynamics and anticipations of organization's stakeholders.
- To fulfill the capacities of human resources on research and development, innovations, designs, explorations, manufacture, sales and marketing and distribution channels.
- To establish and maintain the customer satisfaction on our products and after sales services.
- To protect the interests of shareholders, customers, business partners, employees, social communities, environment and public sectors.

[Shareholding Structure of the Group]



★ in the process of dissolution

[Nature of Business]

The Group's business operation is categorized into 4 areas as follows:

Electronics Manufacturing Service business

Business of assembling and manufacturing circuit boards and electronic and telecommunication parts under the customers' trademark

The business is operated by Forth Corporation Public Company Limited in the factory of over 16,000 square meters which is located on Phuttamonthon 5 Road in Nakornpathom province with modern manufacturing machines, professional engineers and teamwork of long experience who are ready to serve the customers with full integrated services which started from designing in cooperation with the customers, manufacturing in form of consigns and turnkey projects. The main customers are companies who sell leading electronic appliance and telecommunication equipment e.g. Western Digital (Thailand) Company Limited, Pioneer Electronic Company Limited and Toshiba Carrier (Thailand) Company Limited and etc.



Business of electronics component sourcing

It is operated by Electronic Source Company Limited (the 100% owned subsidiary). It is the distributor of semiconductor electronic parts which is raw material to produce print circuit boards e.g. IC, Transistor, Diode, Semiconductor, optoelectronics, Display Device, Relay Battery, Connector, Buzzer, Electronic Switch, EMC Filter, Thermal Printer, Capacitor, Resistor, Crystal Oscillator and etc.



Telecommunication business

Business of full integrated telecommunication solution

The business is operated by Forth Corporation Public Company Limited who has designed the Next Generation Network (NGN) to serve both Narrowband (voice related services) and Broadband (Internet related services) through both copper wire and optical fiber cable network by our engineer team with over 10-year experience. The Company also distributes telecommunication exchange equipment under the trademark **FORTH** to major telecommunication operators in Thailand for more than 1 million subscribers. With our capable project management team, we delivered more than 100 projects to our customers timely and successfully ranging down from the one at the amount of Baht 19,000 million, respectively e.g. MSAN, DWDM and etc.



Business of manufacturing and distributing telecommunication products

The business is operated by Forth Corporation Public Company Limited under the trademark of **FORTH**. We distribute various products and the main products covers equipment for the Multi Access Node service (MSAN), Digital Loop Carrier (DLC), Digital Subscriber Line Access Multiplexer (DSLAM), Forth WDM Access Switch, Internet Protocol Phone (IP Phone), Internet Protocol Digital Subscriber Line Access Multiplexers (IP DSLAM), Internet Protocol Private Branch Exchange (IP-PBX), Inverter and Charger, Call Center system, Nurse Call, the Multi-interface Broadband Router and etc.



Related technology business

Business of traffic light manufacturing and distributing

It is operated by Genius Traffic System Company Limited which is a 100-percent owned subsidiary under the trademark of **FORTH**. It manufactures, distributes and turnkey on installing the traffic system as well as the related equipment e.g. LED full color Screen, Variable Message Screen (VMS), HID Electronic Ballast, LED Traffic Light, Traffic Signal Controller, smart LED Pedestrian Sign for Vehicle, Area Traffic Control System (ATC), Pedestrian Countdown Display for Vehicle, Decorated LED light on building, Solar Power Traffic Flashing Light and etc.

Business of electronic sign manufacturing and distributing

It is also operated by Genius Traffic System Company Limited under the trademark of **FORTH**. The core product consists of Full Color LED Screen, Variable Message Sign for both indoor and outdoor purpose (Moving Sign Board/ Variable Message Sign: VMS), LED warning Flash Light including system maintenance and etc.

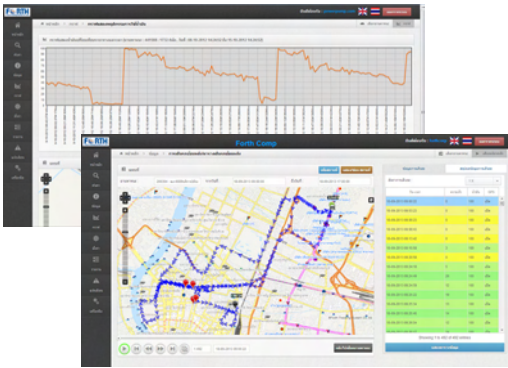


Business of enterprise resource planning service

This business is operated by Forth Corporation Public Company Limited and/or Forth Consulting Company Limited (a 70% of shares owned associate and another 30% of equity interest are not connected persons). The main products aim to provide enterprise resource planning service. Major target customers are public sector and state enterprises e.g. Metropolitan Electricity Authority, Thai Airways International Public Company Limited, State Railway of Thailand etc.

Business of tracking system manufacturing and distributing

The business is operated by Forth Tracking System Company Limited (a 34-percent owned associate and another 66% of equity interest are not connected persons.) under trademark of **FORTH**. The core business undertakes manufacture and distribution of vehicle tracking system which recorded vehicle usage through GPS system (Global Positioning System). The system could report the information of vehicle usage such as positioning of vehicle, traveling map, speed of vehicle, current status report to vehicle controllers (when drivers go out off the route or drive with over speed). Therefore, the controllers can manage the vehicle usage more efficiently.



Business of electronic meters manufacturing and distributing

The business is operated by Genius Electronic Meter Company Limited (a 45-percent owned associate and another 55% of equity interest are not connected persons) under trademark of **FORTH**. The main products are kWh meter both 1 Phase and 3 Electronics Phase including linkage of processing automatic system through RS485 interface, LAN or Ethernet. It then accesses billing program at the Company's exchange station. Moreover, the 1 phase kWh Meter (RFID value refilled) and water supply meter connected to the automatic processing system together with the kWh meter can be the additional equipment to transfer data in wireless system to provide water report automatically.



Business of enterprise resource planning service

This business is operated by Forth Corporation Public Company Limited and/or Forth Consulting Company Limited (a 70% of shares owned associate and another 30% of equity interest are not connected persons). The main products aim to provide enterprise resource planning service. Major target customers are public sector and state enterprises e.g. Metropolitan Electricity Authority, Thai Airways International Public Company Limited, State Railway of Thailand etc.



Business of design and installation service in respect of information technology and telecommunication systems

The business is operated by the Company and/or Forth Alliance Company Limited (a 51% of shares owned subsidiary and another 49% of equity interest are not connected persons). They provide design and installation service in respect of information technology and telecommunication systems, and the distribution of communication equipments and computer systems. Its target customers are domestic mobile operators.



Business of lamps and lighting equipment manufacturing and distributing

The business is operated by Forth Lighting Company Limited (the 100% owned subsidiary) and/or Genius Traffic System Company Limited (the 100% owned subsidiary). They produce and distribute LED light bulb and variety of lighting equipment i.e. LED street light, LED high bay light which are suitable for the building with high ceiling e.g. factories, warehouses, gas stations, supermarkets, sport stadiums or places that need more lighting, the Edison Socket light bulb (E27), the Halogen bulb (MR16) and the fluorescent (T8). The LED technology will help to save energy up to 80 % with longer life and less heat than the normal light bulb.

Retail Business

Domestic business of online service top up

The business is operated by Forth Smart Services Company Limited (a 61-percent owned subsidiary and another 39% of equity interest are not connected persons) under trademark of **ឧបុលពិឃ**. It provides value added top up or online payment through kiosk system. Customers can make self-service transaction by the convenient and fast service. At present, kiosk services covers topping up for mobile phones and online game, telephone postpaid billing payment for AIS, fortune teller, purchasing of internet hours and international calling card. The kiosk system also supports other business activities in the future e.g. vending machine.



Oversea business of online service top up

The Company has expanded business line throughout South East Asia as well as designed and developed software system to support the need of those countries. In 2009, the Company expanded its business to the Philippines by established Mindmap Commtech Inc. under the trademark of **ULOAD**. The Company holds 40% of its registered capital (another 60% of equity interest are held by unconnected persons). At this moment, there are approximately 2,000 kiosks installed and be ready for operation.

In 2012, the Company has invested in Vietnam by establishing an associate named FPT Payment Technology JSC of which 30% of shares held by the Company and another 70% of shares held by the unconnected persons. Subsequently, in May 2013, the Company's Board of Directors passed a resolution to ratify the dissolution of this associate because the market conditions were not favorable. Consumers continued to use prepaid scratch cards rather than through top up machines. The Company recorded an impairment loss of Baht 7.5 million in the financial statements in respect of the investment.

Furthermore, the Company is interested in investing online service top up business in Indonesia because its market size is bigger than those of Thailand around 4 times. The Company is currently seeking on the potential business partner.



TECHNOVATION

1989-2003



- Analog PBX
- Digital PBX
- V5.2 PBX
- Key Telephone
- ISDN PBX
- IP Trunk

- Develop Access Network Product



2005



2007

- IP PBX, IP Phone
- VoIP Gateway

- Implement DLC to TOT (TDM-Voice)



2006





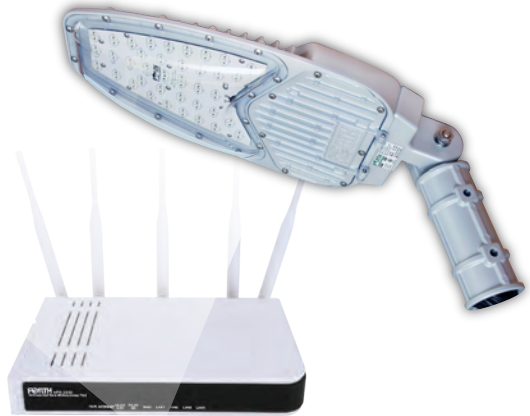
2010-2011



- Forth WDM
- Access Switch
- Top UP Machine

2012-2013

- Android Tablet
- Car access
- Electronic Meter
- Smart IP Phone
- Speaker
- Wi-Fi Outdoor
- WiFi Indoor
- LED Streetlight
- Downlight
- ONU



[Research and Development Project]



ONU 580

This is the internet connector device through "Fiber to the Home" (FTTH) system. GPON has been developed from the past generation and increase the WIFI speed in residence and business area to increase capability of connection. New chip-set has been designed and developed to increase efficiency of the devices.

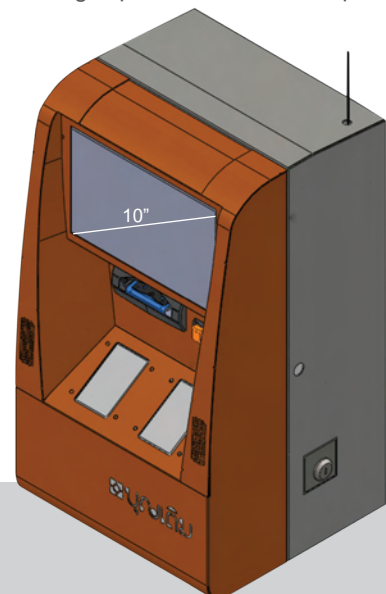


New GPON COMPACT UNIT

The Company has developed devices to serve GPON for telephone exchange service provider (MSAN) that could lower cost and become more compact compare to previous MSAN version. It is emphasized on GPON service and high speed data network system. The installation can be done in small area on top of electricity post to serve GPON in nearby places which has lower number of users compare to MSAN to increase efficiency and reduce cost for high speed internet service provider.

BOONTERM 10"

From the achievement of developing the Boonterm top-up machine, Boonterm has obtained the market of greater than 30,000 sets this year. The Company has also improved the machine to have wider screen to ease the users and add combination new services, in order to widen customer base and better turnover.





WiFi Outdoor



WiFi Indoor

PUBLIC WIFI indoor/outdoor

This is more efficient and has lower cost than previous WIFI HOTSPOT devices, especially better chip-set technology. However, the demand of free WIFI service has certainly increased, including TOT, AIS, TRUE or even neighbor countries also demand for the service. The Company has focused on developing new design to satisfy different usage propose, for example, indoor and outdoor to be water resistance, dust resistance and endure for all sources of weather climate.



GOLF CADDIE

This is the satellite signal receiver to indicate global positioning system (GPS) which make practical use with golf. The product would target all golf players in Thailand who can use this device to know the position and distance. The Company has opened up to a new market that blended our expertise on communication devices with sport.

REMOTE CAR ACCESS CONTROL

This is the controller for automatic entrance and exit gate which target people who live in private villages. There are variety designs including remote and receiver which control the gates automatically. All entrance and exit would be recorded through CCTV to complete security level.



LED DOWNLIGHT

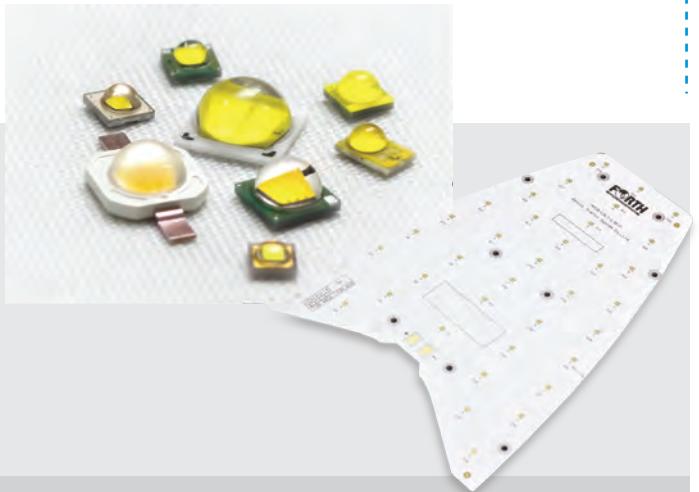
As in the present, needed to safe energy is widely encouraged; hence, LED light bulb has been developed to be brighter which could be an excellent substitute for normal light bulb. The main properties are durability and low energy usage. As a result, the Company has developed variety of light bulb with many different sizes to support demand and ease of installation replacement of the old bulb. This project has developed and produced in Thailand which is the major advantage.

Street Light



LED Street Light

The Company has also developed variety of model for LED street light to serve government sector and private sector customers to replace in private villages. There are many models starting from 20W up to 220W. Furthermore, some 20W and 40W of LED street light model install solar panel to allow consumption from green solar energy. Hence, customers can have choices to match their needs such as small street, main road or motorway.



LED LIGHTING



E27



MR16



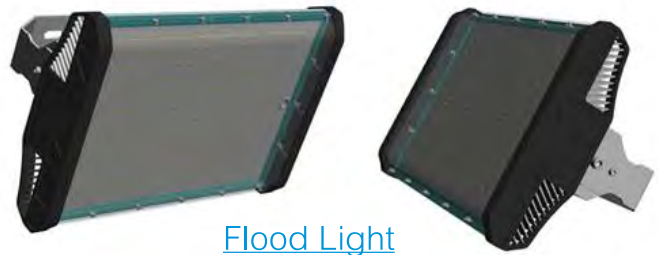
T8

Energy safe LED light bulb

The Company continuously research and develop energy safe LED light bulb to reflect the needs of all consumers such as Model: twist E27 with size of 5W, 7W and 9W, Model: MR16 with size of 5W and 8W, and Model: T8 with size 10W and 20W.



High Bay



Flood Light

LED High Bay

The Company has researched and developed High Bay LED lamp for high roof places such as factory, warehouse, gas station, superstore, indoor stadium and place that needed intense light. The High Bay LED lamp would be starting from 100W to 220W to support different usage purpose.



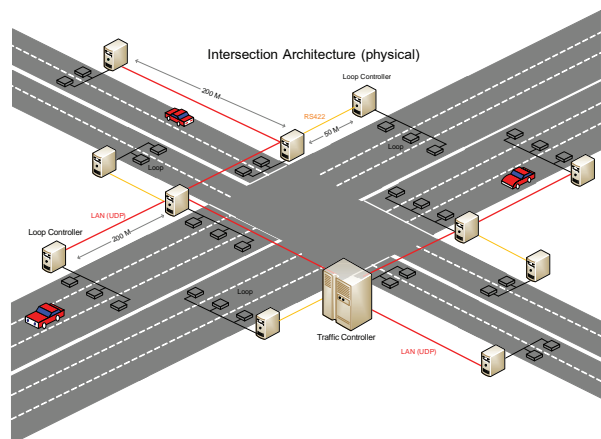
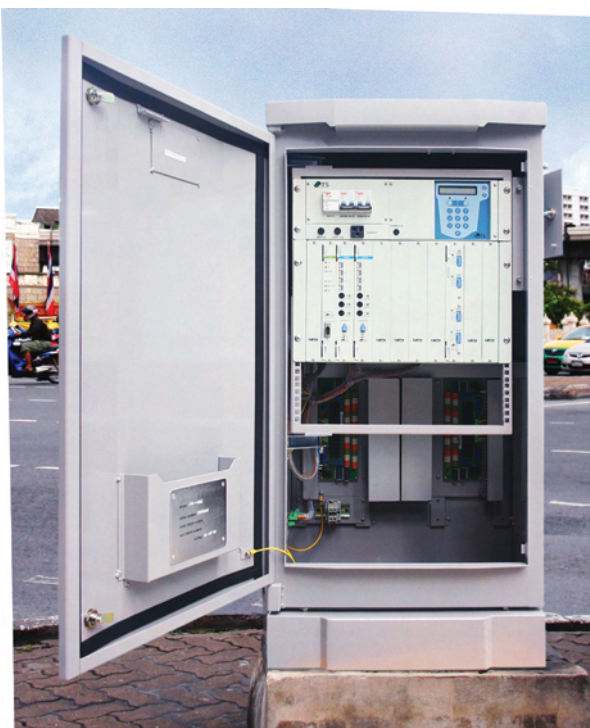
Warning sign

With the special characteristic of LED light bulb such as safe energy, good for environment and long lifetime, the LED bulb is increasingly in demand especially in traffic sector because it needs high quality product. Therefore, this leads to warning sign or other traffic sign innovation combining with LED bulb to keep low energy consumption rate. Furthermore, the innovative products could clearly help to increase safety for drivers and all road users.

In 2014, there are still several projects in Bangkok to change and replace all sources of warning sign to be LED system which mainly benefit to the energy usage, safe maintenance cost and improve visibility and modern look.

Traffic system project

There are project to increase efficiency of traffic light control system which could count the amount of cars and control pattern of signal in relation to actual traffic situation. Furthermore, there is also project to track the working stage of traffic light which could notify the control system at the Traffic and Transportation Department (TTD) when traffic light stops working.



Board of Directors

Mr. Sanit Vorapunya

Age 75 years old

Chairman of BOD / Independent Director / Chairman of Audit Committee

Company's Shares Possession (%)

as of 7 March 2014: -None-

Education and Training Background

- Cert. of Thailand National Defense College
- MA. (Econ.), University of Wisconsin, USA
- BA. (Econ.), Thammasat University
- Director Accreditation Program (DAP) No. 24/2004 on 9 September 2004, Thai Institute of Directors (IOD)

The relevant important positions of other companies

- Chairman of Audit Committee of Thai Summit Harness Public Company Limited
- Director of Southeast Insurance Public Company Limited
- Director of Southeast Life Insurance Public Company Limited
- Director of Southeast Capital Company Limited
- Director of Thai Research and Training Company Limited
- Director of Electronic Source Company Limited
- Director of Genius Traffic System Company Limited

Ms. Nongram Laohaareedilok

Age 60 years old

Director / Independent Director / Audit Committee

Company's Shares Possession (%)

as of 7 March 2014: -None-

Education and Training Background

- BBA, Ramkhamhaeng University
- Director Accreditation Program (DAP) No. 30/2004 on 15 December 2004, Thai Institute of Directors (IOD)
- Certified Public Accountant

The relevant important positions of other companies

- Deputy Managing Director of AST Master Company Limited
- Member of the sub-committee on Tax Accounting, the Federation of Accounting Professions (FAP) of Thailand
- Member of the sub-committee on auditing member service, the Federation of Accounting Professions (FAP) of Thailand

Mr. Sutham Malila

Age 72 years old

Director / Independent Director / Audit Committee

Company's Shares Possession (%)

as of 7 March 2014: -None-

Education and Training Background

- B.A. of Engineering, Chulalongkorn University
- Director Accreditation Program (DAP) No. 24/2004 on 9 September 2004, Thai Institute of Directors (IOD) Audit Committee Program (ACP) No. 4/2005 on 17-18 February 2005, Thai Institute of Directors (IOD)

The relevant important positions of other companies

- Audit Committee of TT&T Public Company Limited
- Director of TSB Holding Company Limited
- Director of Subpeumphol Construction Company Limited

Mr. Pongchai Amatanont

Age 50 years old

Director / Executive Director / Chief Executive Officer

Company's Shares Possession (%)

as of 7 March 2014: -41.75- (*)

(*) Including spouses and immature children

Education and Training Background

- B.A. of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) No. 30/2004 on 15 December 2004, Thai Institute of Directors (IOD)

The relevant important positions of other companies

- Director of Electronics Source Company Limited
- Director of Genius Traffic System Company Limited
- Director of Genius Electronic Meter Company Limited
- Director of Forth Tracking System Company Limited
- Director of Forth Smart Service Public Company Limited
- Director of Forth Consulting Company Limited
- Director of Forth Alliance Company Limited
- Director of Forth Lighting Company Limited

Mrs. Rangsee Lertripinyo

Age 53 years old
 Director/Executive Director/Senior Executive Vice President
 Company's Shares Possession (%)
 as of 7 March 2014 -6.14-
 (*) Including spouses and immature children

Education and Training Background

- BBA, Ramkhamhaeng University
- Director Accreditation Program (DAP) No. 30/2004 on 15 December 2004, Thai Institute of Directors (IOD)

The relevant important positions of other companies

- Director of Forth Smart Service Public Company Limited
- Director of Forth Consulting Company Limited
- Director of Forth Alliance Company Limited
- Director of Forth Lighting Company Limited

Mr. Kaelic Amatanont

Age 58 years old
 Director
 Company's Shares Possession (%)
 as of 7 March 2014: -6.03-

Education and Training Background

- Vocational Certificate of Accounting, Chetupon Commercial College
- Director Accreditation Program (DAP) No. 30/2004 on 15 December 2004, Thai Institute of Directors (IOD)

The relevant important positions of other companies

- Director of Electronics Source Company Limited

Mrs. Matinee Wandeepirom

Age 52 years old
 Director
 Company's Shares Possession (%)
 as of 7 March 2014: -2.58-

Education and Training Background

- B.A. of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) No. 30/2004 on 15 December 2004, Thai Institute of Directors (IOD)

The relevant important positions of other companies

- Director of Genius Traffic System Company Limited

Mr. Boonya Tantipanichapun

Age 52 years old
 Director/Executive Director
 Company's Shares Possession (%)
 as of 7 March 2014: -2.57- (*)
 (*) Including spouses and immature children

Education and Training Background

- B.A. of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) No. 30/2004 on 15 December 2004, Thai Institute of Directors (IOD)

The relevant important positions of other companies

- Director of Genius Traffic System Company Limited
- Director of Forth Alliance Company Limited

Ms. Chonticha Siripongpreeda

Age 42 years old
 Director
 Company's Shares Possession (%)
 as of 7 March 2014: -None-

Education and Training Background

- MBA, University of Wisconsin
- BBA, Assumption University
- Director Accreditation Program (DAP) No. 43/2005 on 9 September 2005, Thai Institute of Directors (IOD)

The relevant important positions of other companies

- Deputy Managing Director of Electronics Source Company Limited

Management

Mr. Pongchai Amatanont

Age 50 years old

Chief Executive Officer

Company's Shares Possession (%)

as of 7 March 2014: -41.75- (*)

(*) Including spouses and immature children

Education and Training Background

- B.A. of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) No. 30/2004 on 15 December 2004, Thai Institute of Directors (IOD)

Mrs. Rangsee Lerttripinyo

Age 53 years old

Senior Executive Vice President

Company's Shares Possession (%)

as of 7 March 2014: -6.14- (*)

(*) Including spouses and immature children

Education and Training Background

- BBA, Ramkhamhaeng University
- Director Accreditation Program (DAP) No. 30/2004 on 15 December 2004, Thai Institute of Directors (IOD)

Mr. Chatchavin Pipatchotitham

Age 41 years old

Executive Vice President/Vice President of Administration

Company's Shares Possession (%)

as of 7 March 2014: -None-

Education and Training Background

- MBA, Chulalongkorn University
- B.A. of Accounting, Thammasat University

Mr. Sawat Erbchokchai

Age 46 years old

Vice President of Research & Development

Company's Shares Possession (%)

as of 7 March 2014: -None-

Education and Training Background

- B.A. of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang

Pramote Pantina

Age 45 years old

Vice President of Production

Company's Shares Possession (%)

as of 7 March 2014: -None-

Education and Training Background

- BBA, Sukhothai Thammathirat University
- High Vocational Certificate of Electronics, Patumwan Institute of Technology

Mr. Arin Jamnaree

Age 41 years old

Vice President of Accounting and Finance

Company's Shares Possession (%)

as of 7 March 2014: -None-

Education and Training Background

- MBA, Thammasat University
- B.A. of Accounting, Thammasat University

Ms. Nitiya Songprapai

Age 54 years old

Vice President of Central Administration (*)

Company's Shares Possession (%)

as of 7 March 2014: -None-

(*) She was appointed to be the Company's management on 17 February 2014.

Education and Training Background

- M.A. of Public and Private Management, The National Institute of Development Administration (NIDA)
- B.A. of Political Science, Ramkhamhaeng University

Significant Changes and Development

In 2013, the Company has significant changes and development as follows:

Forth Corporation Public Company Limited

- The Company approved the listing of Forth Smart Service Company Limited on the Market for Alternative Investment and also approved in principle about restructure the capital structure of Forth Smart Service Company Limited in the spin-off plan.
- The Company has paid total amount of Baht 105 million for additional investment in Mindmap Commtech Inc., in which the Company has held 40% of this company's register capital. The fund is to be used as its working capital.
- Mr. Pongchai Amatanont, who is the major shareholder of the Company, has sold 100 million shares (equivalent to 10.4% of registered share capital of the Company) to two investors, Mr. Vichai Tongtaeng and Miss Kananuch Lekwichit. However, the sale of these shares does not affect the management structure and business policy in all aspects.
- The Company invested in two subsidiaries which are Forth Alliance Company Limited and Forth Lighting Company Limited.
- The Company signed a Joint Venture Termination Agreement to cancel the Joint Venture and Shareholders Agreement, which terminated its investment in FPT Payment Joint Stock Company.
- The Company has discontinued circuit board production for hard disk drive for Western Digital (Thailand) Company Limited, which is the major customer, since end of July 2013.
- The Company has relocated its head office from 226/12, 13, 16 Phaholyothin Road, Samsennai, Phayathai, Bangkok to 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok.

Forth Smart Service Public Company Limited

- Forth Smart Service Company Limited has changed the par value of its ordinary shares from 3 million shares at Baht 100 each to 600 million shares of Baht 0.5 each.
- The subsidiary has increased its registered share capital from Baht 300 million (600 million ordinary shares with a par value of Baht 0.5 each) to Baht 400 million (800 million ordinary shares with a par value of Baht 0.5 each) through the issuance of 200 million new ordinary shares with a par value of Baht 0.5 each, to be offered to the existing shareholders of the Company and through an initial public offering.
- The subsidiary has changed its status from a company limited to a public company limited.
- The subsidiary has relocated its head office from 1031/3-4 Phaholyothin Road, Samsennai, Phayathai, Bangkok to 226/12, 13, 16 Phaholyothin Road, Samsennai, Phayathai, Bangkok.

Forth Alliance Company Limited

- The subsidiary was established on 3 June 2013 with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each). It is principally engaged in providing design and installation services in respect of information technology and telecommunication systems and the distribution of communication equipments and computer systems. The Company holds 51% of the subsidiary's registered share capital.

Forth Lighting Company Limited

- The subsidiary was established on 15 November 2013 with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each). It is principally engaged in the manufacture and distribution of lamps and lighting equipment. The Company holds 100% of the subsidiary's registered share capital.

FPT Payment Technology Joint Stock Company

- A meeting of the Board of Directors of FPT Payment Technology Joint Stock Company approved the dissolution of that company and also approved the sale of mobile top-up kiosks to the Company. This is because the market conditions are not favorable. Consumers continue to use prepaid scratch cards rather than through top-up machines.

Entities that own, directly and indirectly, 10% or more of the total issued shares.

Item No.	Business name/Location	Business type	Share type	No. of Outstanding shares	No. of Shareholding	Percentage of Shareholding
1	Genius Traffic System Co., Ltd. 77 Moo 11 Phuttamonthon 5 Road, Raikhing, Sampran, Nakornpathom 73210 Tel : 0-2811-7925, Fax : 0-2811-7935	Manufacture and distribution of traffic system	Common	500,000	499,994	100.00%
2	Electronics Source Co., Ltd. 7/129 Central Pinklao office building 17 FL. Room No.1702, Baromrachonnee Road, Arun Amarin, Bangkok-noi, Bangkok 10700 Tel : 0-2884-9210, Fax : 0-2884-9213-4	Distribution of electronic parts	Common	500,000	499,994	100.00%
3	Joint Venture Genius 282 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2615-2440, 0-2615-2231-2 Fax : 0-2615-2441	Concession for traffic board project	-	-	-	100.00%
4	Forth Smart Service Plc. 226/12, 13, 16 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel :0-2278-1777 Fax : 0-2279-7195	Online top-up services and automatic prepaid mobile phone top-Up	Common	600,000,000	365,999,400	61.00%
5	Forth Consulting Co., Ltd. 226/12, 13, 16 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2265-6700, 0-2271-2888 Fax : 0-2265-6799, 0-2279-4888	Consulting service for information management and computer software management	Common	100,000	69,998	70.00%
6	Forth Alliance Co., Ltd. 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2265-6700, 0-2271-2888 Fax : 0-2265-6799, 0-2279-4888	Providing design and installation services in respect of information technology and telecommunication systems	Common	100,000	5,097	51.00%
7	Forth Lighting Co., Ltd. 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2265-6700, 0-2271-2888 Fax : 0-2265-6799, 0-2279-4888	Manufacture and distribution of lamps and lighting equipment	Common	100,000	9,996	100.00%

Item No.	Business name/Location	Business type	Share type	No. of Outstanding shares	No. of Shareholding	Percentage of Shareholding
8	Forth Tracking System Co., Ltd. 226/3, 4, 5 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2615-0808 ,Fax : 0-2615-0809	Distribution of vehicle tracking system	Common	200,000	67,994	34.00%
9	Genius Electronic Meter Co., Ltd. 228/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2615-2420-1 ,Fax : 0-2615-2422	Distribution of Electronic Meter	Common	4,000,000	1,800,000	45.00%
10	Mindmap Commtech Inc. 538 Hen. Lacuna cor. Zamora Street, Bangkal, Makati City, Metro Manila, Philippines	Online top-up services and automatic prepaid mobile phone top-Up	Common	150,000	60,000	40.00%
11	FPT Payment Technology Joint Stock FPT Tan Thuan Building – 2nd Floor. 29B - 31B - 33B, Tan Thuan Street, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, Dist.7, HCM City, Viet Nam	Online top-up services and automatic prepaid mobile phone top-Up	Common	4,200,000	1,260,000	30.00%

Revenue Structure

	2013		2012		2011	
	(Million THB)	%	(Million THB)	%	(Million THB)	%
Revenues from major business						
Electronics Manufacturing Services business						
- Manufacturing and distribution of telecommunication and electronics equipments under customer brands	911	20.16	3,209	54.03	4,760	53.57
- Distribution of electronics parts	717	15.86	739	12.45	701	7.89
Telecommunication business	515	11.39	480	8.08	1,636	18.41
Technology related business						
- Manufacturing, distribution and installation of traffic light system and related equipment, CCTV and electronic boards	1,291	28.56	518	8.71	793	8.93
- Development and implementation of ERP system	203	4.49	367	6.18	611	6.88
- Others	31	0.69	21	0.35	28	0.31
Online top-up service and topping-up prepaid mobile phone	803	17.77	553	9.31	341	3.84
Total revenues from major business	4,471	98.92	5,887	99.11	8,870	99.83
Other revenues	49	1.08	51	0.89	15	0.17
Total revenues	4,520	100	5,938	100.00	8,885	100.00

Risk Factors

The Group has reviewed and assessed significant risks on regular basis and has implemented a comprehensive risk framework to help controlling the risks to the acceptable level. In addition, the Group has diversified risks to other business lines apart from the main business for example the manufacturing and distributing of telecommunication products, telecommunication solution, the traffic light system, electronic boards, electronic parts, electronic meter, vehicle tracking system, enterprise resources planning consulting service and online top-up services and etc. The Group has assessed the main risks that can affect the business operation as follow:

1. Business risk

Risk from relying on major customer

This year, 20 % of total income came from production and assembly electronic equipment under customer's brand, in which was 67% of total income in 2012. This proportion is significant to operating results of the Company; considering income from Western Digital (Thailand) Company Limited, which was the major customer with the proportion income of 13% (49% in 2012). The Company has discontinued production for that customer since July 2013 which directly affected to significant reduction of revenue. Although doing business with Western Digital (Thailand) Company Limited allowed the Company to generate high revenue, the gross profit margin is less than 3%. Hence, the Company has policy to reduce dependency on major customers by seek new customer to compensate, for example, automotive customers, government sector projects, and focus on the Company's own brands and products. This leads to increase in gross profit margin for new products in 2013, for example, Android tablet, WIFI access point.

Risk from the liquidity of distribution to public sector

The target customers of the Group are public sectors which the payment terms are longer than the private customers. This group has 60 days of average account receivable turnover depending on the budget of each department. The Group expected to acquire more revenue from them through auctions and also contractors. The Group therefore needed to manage efficiently liquidity system to support public sector's project.

However, the Group has gained experience and expertise from public projects for a long time and this enhances the professional liquidity management for the customers of the public sector and the ones of the long credit duration. The Group especially holds a circulating capital sufficient for supporting the long-term cash flow of those specific customers. Apart from that the Group also reserves sufficient loan provision and request additional loan from commercial banks to support efficient liquidity management in the long run.

Risk relating to project delivery

The operations of projects by the Group normally have duration of 3-5 month to 2 years depending upon project size. If the Group fails to deliver the project on the due date stated in the contract, the Group may be fined or lose credibility to the project operator. The penalty will affect the profitability of each project. Therefore the Group has policy to closely and carefully monitor and manage projects. In the last 3 years, the Group was fined less than 0.05% of project's value. In order to prevent such risk, the Group always coordinates with customers and manufactures in order to solve problems in a timely manner.

Risk from the obsolete products that results in changing of manufacturing technology

The Company and its subsidiaries produce and distribute electronic and telecommunication products, which are greatly subjected to changes in technology. As at 31 December 2013, the Company and its subsidiaries remain the inventory of 18% of total assets (19% in 2012). Large number of remaining inventory from slow distribution might result in obsolete products which require high capital for management. The reserved capital for obsolete product reduces the profitability and

liquidity of the Company and its subsidiaries, hence, in 2013 the Company and its subsidiaries have set up Baht 0.3 million for obsolete products (Baht 21 million Baht for 2012). However, the Company and its subsidiaries have a plan to manage and reduce overstocks by continuously meet with related departments such as production, sales and R&D to determine the methods to resolve on slow stock turnover together with apply information technology system to improve production planning and sale forecasting, determine inventories level.

Risk from severe competition in mobile top up market

Due to growing trend of mobile phone consumption, consumers' needs for easy and fast way to top up the mobile phone are rising. Hence, the competitiveness of mobile top up market, including pre-paid top up via mobile top up machine, is accelerating. However, our competitors are not major players in the market who usually sell outright for customers to manage by themselves and almost all top up machines are operated using analog system, which only use for mobile top up online. While our "Boonterm" top up machines are operated using online system which are able to connect directly with mobile operator. The major benefits are able to verify the transaction immediately and allow paying monthly bills from AIS network, top up online games or top up other type of cash card as customers need.

The Company has prepared to build the competitive advantages by creating management system to offer variety of services including continuously software development to be congruence with the needs of consumers. The Company's system has been developed to connect with mobile network provider system to enhance the efficiency. Furthermore, working and managing the top up machine effectively with the service representative through franchise system in order to expand "Boonterm" throughout the country especially town center, urban area, in front of convenience store, supermarket, schools, flat, and factory area. Services from "Boonterm" machine could support varieties of customers, especially targeted middle to low income, who use pre-paid top up system, which "Boonterm" allow micro transaction from minimum Baht 10. Moreover, the Company collaborated with business alliances such as 7-Eleven, Family Mart, Tesco Lotus, and BTS to widen the customer based and expand to other target groups. The Company also emphasis on advertisement services through "Boonterm" machine and many more online services.

As at 31 December 2013, the Company has the market share of 45% for all online mobile top up machine, which regard as high proportion within this market. Furthermore, "Boonterm" has market share of 5.8% for all pre-paid mobile top up. This shows growth opportunity in the future of the company to grow a lot more in this sector. The number of machine sales has been continuously growing since 2011 – 2013. The increasing rate for number of top up machine sold is approximately 8,000 machines per year and the compound annual growth rate (CAGR) for the amount pre-paid is around 95% per year.

Risk from dependence on an executive or a major shareholder

Mr. Pongchai Amatanont is the founder and Chief of Executive of the Company with experience in the business for a long times. With his vision as well as direct responsibility for policy making and the Company's direction, if there are any changes to the Executive, the Company may confront with the business operation problems. The Company then established the organizational structure for decentralization by appointing professional boards with more working experiences as well as authorizing the deputy executives' level to participate in decision making and planning for future of the Company. In addition, the Company decentralized management to subsidiaries and associates. However, he still has significant role on main policy and management of the Company, subsidiaries while other executives are responsible for their business operations in depth. This aims to reduce risk reliance on the Executives.

2. Risk affecting the rights or investments of holders of securities

Risk from a shareholder group which held of more than 50% of the Company's share capital

As at 7 March 2014, Amatanont family was still the major shareholder of the Company with shareholding over half of the Company's paid-up capital. As a result, this family is able to manipulate the resolution of shareholders' meeting in every agenda; either appointment of directors, the approval of other matters with a majority votes, exempt the matter related to law or article of association, which required at least three fourth votes of shareholders in meeting. However it is impossible for minor shareholders to gather vote and check and balance of power on the matter proposed by major shareholders.

Management Structure

The Company's management structure is categorized in 3 groups as follows:

- Board of Directors
- Executive Directors
- Audit Committee

Details of each board are as follows:

Board of Directors

The Board of Directors has 9 members which are composed with 6 executive directors or 67% of total board members and 3 independent directors or 33% of total board members.

As at 31 December 2013, there were 9 members of the Board of Directors as follows:

No.	Name	Position
1.	Mr. Sanit Vorapanya	Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee
2.	Mr. Sutham Malila	Director/ Independent Director/ Audit Committee
3.	Ms. Nongram Laohaareedilok	Director/ Independent Director/ Audit Committee
4.	Mr. Pongchai Amatanont	Director/Chief of Executive Officer
5.	Mrs. Rangsee Lertripinyo	Director/Senior Executive Vice President/Corporate Secretary
6.	Mr. Kaelic Amatanont	Director
7.	Mrs. Matinee Wandeepirom	Director
8.	Mr. Boonya Tantipanichapun	Director/Executive Director
9.	Ms. Chonthicha Siripongpreeda	Director

All members of the board have qualifications as required in the Public Limited Companies Act and the Securities and Exchange Act without unauthorized characteristics regarding the law and regulation of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Authorized Directors

Authorized directors, who can sign off on behalf of the Company, are Mr. Pongchai Amatanont co-signed with either Mr. Kaelic Amatanont or Mrs. Rangsee Lertripinyo, or Mrs. Matinee Wandeepirom with the Company's seal.

Duties and responsibilities for the Board of Directors

1. To ensure that all members in the board have undertaken actions under the Statement of Corporate Governance Principles, as specified as well as shareholder resolution with ethic and integrity on behalf of the Company.
2. To arrange an Annual General Meeting of Shareholders within 4 months after ending of annual accounting closed period.
3. To provide for the Board of Directors' meeting every three months.
4. To certify the Company's annual financial statements audited by its auditors and propose the financial reports to the Annual General Meeting of the Shareholders for consideration and approve.

5. Ensure that the Company shall vest the representative person with full authority of the Board of Directors with respect to specific matters delegated and approved by the board. The Board of Directors may terminate, adjust or amend such a delegated authority on any appropriate judgment.

The above authorization must not involve the transactions showing a potential conflict with the Company's business interests as well as main transactions with related parties except that transactions were conformed to authorization policy or were approved by the Board of Directors.

6. Review and discuss management's proposed strategy options and approve major decisions in respect of firm direction and policies. An exception to the matter concerning legal issue would be necessary to gain approval from the meeting of shareholders, for example, the increasing or reducing share capital, sale or transfer of the whole or the substantial part of the Company's business to any other person or purchase or acceptance of transfer of the business of private companies or public companies by the Company, the amendment of the Memorandum of Associations or Articles of Association of the Company.
7. Monitor the Company's operation to comply with the Securities Exchange Act and the regulations of the Securities and Exchange Commission i.e. connected transactions or acquisition or disposal of assets in accordance with the Securities and Exchange Commission, the Stock Exchange of Thailand and the related law and regulation.
8. Consider the management structure, appoint the Board of Executive Directors, Chief Executive Officer and other sub-committee, as well as evaluate the performance of Chief Executive Officer in order to follow up the progress of achievement of the Company's objectives.
9. To ensure that the board has a proper system in place to communicate effectively with all stakeholders and the public on conflict of interest issue e.g. an increase or decrease in number of shares that the board held in the related companies.

The board member therefore cannot personally benefit or for others sake from his position on the board, owner, or partnership in any business engaging in direct competition with the corporation except when disclosure is authorized in the Annual General Meeting of Shareholders.

Board of Executive Directors

As at 31st December 2013, there were 3 members of the Board of Executive Directors as follows:

No.	Name	Position
1.	Mr. Pongchai Amatanont	Chairman of Executive Director
2.	Mrs. Rangsee Lertripinyo	Executive Director
3.	Mr. Boonya Tantipanichapun	Executive Director

Duties and responsibilities for Executive Directors

1. Manage and undertake the business as assigned by the Company's mission, objectives, policy, regulation, condition, or any mandatory stated by the Board of Directors, or by specific resolutions of the shareholders' meeting.
2. Develop and undertake business policies, strategic plans, direction, budgets, managing structure and authorization as well as monitor and assess the performance in order to achieve the Company's objectives.
3. Review and recommend to the Board of Directors for approval an annual capital expenditures budget or any adjustment in budgeting amount for the Company. If deemed appropriate by the Board, review and recommend to the Board of Directors for approval projected capital expenditures budgets. If board meetings are not arranged, then submit concluded budget to the next board meeting.

4. Authority to approve the Company in conducting normal operating transactions up to a limit of Baht 20 million such as purchase of assets, machinery, vehicles except for raw material purchasing. Also, authority to approve the capital investments spending that included in annual budget assigned by the Board of Directors or mentioned in the Board of Directors jurisdiction.
5. Make approval for loan proposals, bond issuance, collateral, personal guarantee on loan and any credit proposal with amount up to a limit of Baht 50 million.
6. Make recommendations to the Board of Directors regarding revisions to financial policy, marketing strategy, human resource management and any operating plans.
7. Review and approve organization structure and management, the human resources policies, management development plans regarding to recruitment, moving, and termination as well as remuneration policy.
8. The Board of Directors selects any other board members in whom they vest certain duties responsibilities and authorities to operate in any normal business or any appropriated activities within specified periods. The Board of Directors may terminate, adjust, or amend such a delegated authority to any other persons on any appropriate judgment.
9. Operate in other activities regarding to the Board of Directors assignment.

Authorization of executive directors is not included any transactions which shall be inclusive of the shares held by related persons, company, or juristic person or any transactions associated with conflict of interest to the Company or related company as required by the rules and regulations of applicable law. The above defined transactions must be proposed to the Board of Directors or the Annual General Meeting of Shareholders for consideration and approval according to any related regulations.

Definition of Independent Directors

Independent directors are those not under the influence of major shareholders or group of major shareholders and command the following qualifications:

1. Their shareholdings must not exceed 1% of all shares entitled to voting rights of the Company, the parent company, its subsidiaries, its associates or juristic entities in potential conflict with the Company. In this regard, the shares owned by persons related to them shall be counted as theirs.
2. They must not now be nor ever have been involved as executives, employees, hired workers, salaried consultants or anyone with controlling authority of the Company, the parent company, its subsidiaries, its associates or juristic entities in potential conflict with the Company, unless such association ended no less than 2 years before.
3. They are not independent directors of the group of companies i.e. the parent company, its subsidiaries and the listed companies which the shares held by the Company or its subsidiaries more than 50%.
4. They are not related by blood or registered as being parents, spouses, siblings or spouses of children of the executives, major shareholders, persons with controlling authority, or persons to be nominated as executives or persons of controlling authority in the Company or its subsidiaries.
5. They have no business relations with the Company, the parent company, its subsidiaries, its associates or juristic entities in potential conflict with the Company in ways that might impair their independent judgment. They must also not be nor have been major shareholders, directors other than independent directors, or executives of entities having business relations with the Company, the parent company, its subsidiaries, its associates or juristic entities in potential conflict with the Company, unless such association ended no less than 2 years before.
6. They have no other attributes that obstruct them from expressing opinion regarding the Company's operation independently.

The above qualification of independent directors must be equivalent to the qualification stipulated by the Securities and Exchange Commission except article 3 which higher than the regulation concerning the independent director's qualification of Securities and Exchange Commission.

As at 31 December 2013, the Company's independent directors compose of 3 directors who are selected from 9 members of the Board of Directors (calculated 1:3 proportions conformed to good corporate governance according to Securities and Exchange Commission's regulation). The independent directors are listed as follows:

No.	Name	Position
1.	Mr. Sanit Vorapunya	Independent Director
2.	Mr. Sutham Malila	Independent Director
3.	Ms. Nongram Laohaareedilok	Independent Director

Audit Committee

The term of the Audit Committee is 2 years. The Company has determined the qualifications of the Audit Committee as follows:

1. Each member of the Audit Committee shall be an independent director.
2. Not being a director assigned by the Board of Directors to decide on the operation of the Company, parent company, subsidiaries, associates same-level subsidiaries or entities may have any conflict of interest.
3. Not being a director of the parent company, subsidiaries, and same-level subsidiaries.
4. At least one member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of financial statements.

As at 31 December 2013, there were 3 members of the Audit Committee as follows:

No.	Name	Position
1.	Mr. Sanit Vorapunya	Chairman of Audit Committee
2.	Mr. Sutham Malila	Audit Committee
3.	Ms. Nongram Laohaareedilok	Audit Committee

The Audit Committee in rank no. 3 is knowledgeable and sufficient experience to review the reliability of financial statements.

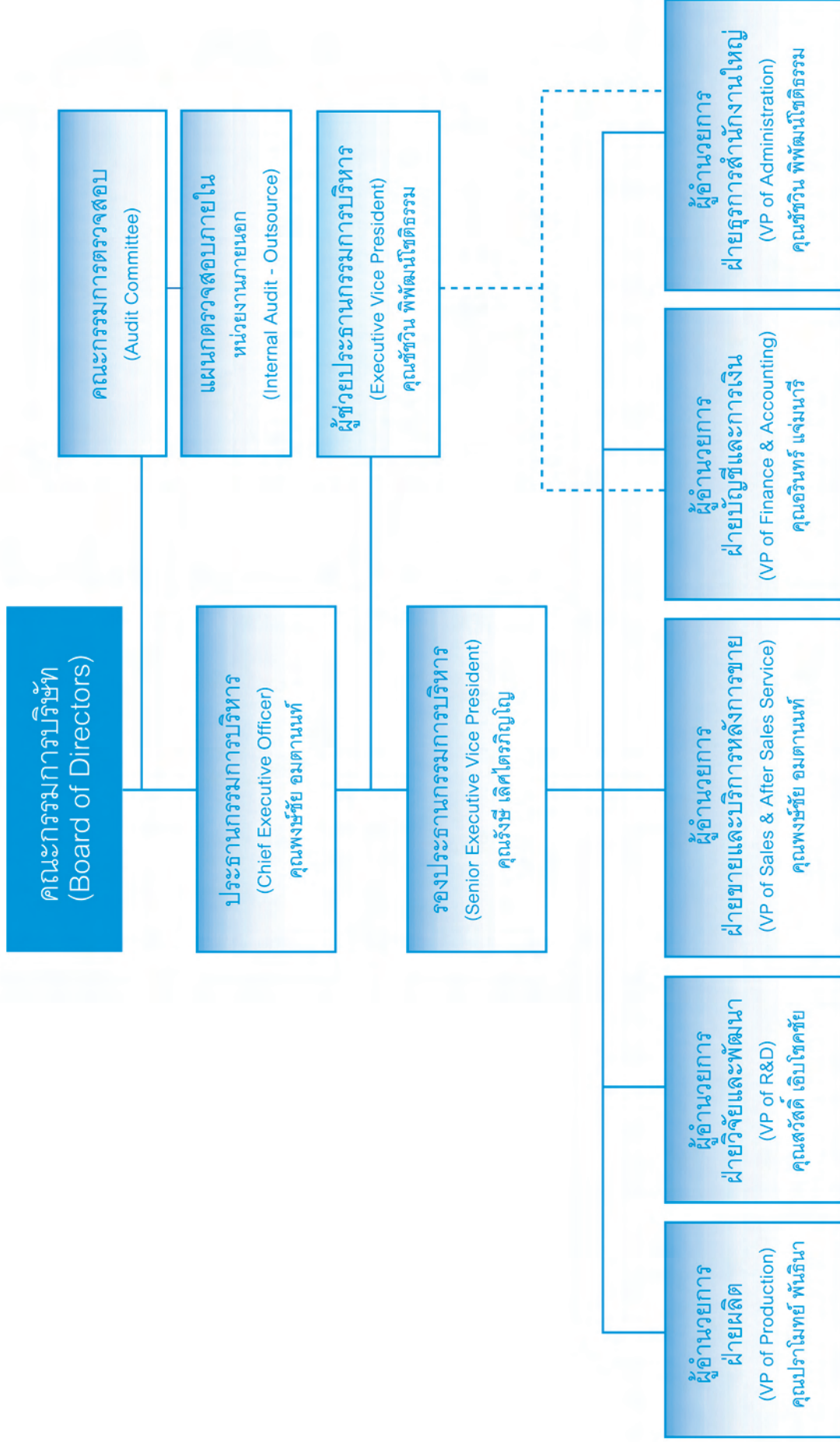
Duties and responsibilities for Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.

5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information.
 - (1) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (2) an opinion on the adequacy of the Company's internal control system,
 - (3) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (4) an opinion on the suitability of an auditor,
 - (5) an opinion on the transactions that may lead to conflicts of interests,
 - (6) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - (7) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - (8) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.
8. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the audit committee shall report it to the board of directors for rectification within the period of time that the audit committee thinks fit:
 - (1) a transaction which causes a conflict of interest;
 - (2) any fraud, irregularity, or material defect in an internal control system; or
 - (3) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

Organization chart

As at 31 December 2013



Management Team

As at 31 December 2013, there were 6 persons in the Company's management team as follows:

No.	Name	Position
1.	Mr. Pongchai Amatanont	Chief Executive Officer/President of FORTH's affiliates/ Vice President of Sale and After Sale and Service
2.	Mrs. Rangsee Lertripinyo	Senior Executive Vice President/Company Secretary
3.	Mr. Chatchavin Pipatchotham	Executive Vice President/ VP of Administration
4.	Mr. Pramote Pantina	Vice President of Production
5.	Mr. Sawat Erbchokchai	Vice President of Research & Development
6.	Mr. Arin Jamnaree	Vice President of Accounting and Finance

However, on 17 February 2014, the Company has established Miss Nittaya Songprapai to be the Vice President of Central Administration, hence, the management of the Company now became 7 positions.

Nomination of the Board of Directors and the Executives

The Company does not have Nomination Committee; therefore, the nomination process comes from candidates who were nominated for the position of directors and taken into consideration through the Annual General Meeting of Shareholders. The appointment of director position is determined by majority vote, which complied by good corporate governance.

The directors must be elected at the shareholder's meeting voting process. The shareholders shall be entitled to one (1) vote per one (1) share, and they have an option to cast the vote on individual or group of people as the criteria decided by the meeting. The shareholders cannot delegate all or some parts of the voting to any person. Persons receiving the highest number of approving votes among all candidates are to be elected in a respective order, in proportion to the number of the Board of Directors' positions to be filled at that meeting. In the event of a tied vote on candidates for the last order for director election, the chairman of the meeting shall have the deciding vote.

In case of vacancy of director due to reasons other than termination of being committee, the Board of Directors would consider establishing the person who qualify and legitimate to be committee representative for the next meeting. Unless the committee termination is less than 2 months, the representative person would take the position up to the period of termination. However, the representative committee must get voted score at least 75% by remaining committee.

Chief Executive Officer recruitment, the executive committee would preliminary considers the suitable qualification, knowledge competency skills and experience that are useful to operation of the organization. Moreover, the person must thoroughly understand the industry and has ability to manage and direct the Company to achieve objectives and goals set by the Board of Directors and offers to the Board of Directors approval afterward.

Roles and Responsibilities of Chief Executive Officer

1. To execute and supervise business policies, business plan and budget, and oversee the Company's management in effectively carrying out actions that are in line with the designated policies and business plans.
2. To execute and supervise to run business accordance with the rules and regulatory requirements of related government agencies and the resolutions of shareholders' meeting/the Board of Directors' meeting/the Executive Directors' meeting.
3. To have the power to appoint and/or authorize any person to act on behalf of the Company in conducting activities within specific limitation of the power of attorney and/or to comply with regulations or orders of the Board of Directors of the Company and/or any other company regulations.

4. To monitor the performance of the Company's plan and policy with regard to risk management policy.
5. To obtain detailed understanding of significant procedures and practices employed in the business contract process and present to the Board of Directors or executive directors for approval.
6. To legally act on behalf of the Company in conducting normal business transactions up to a limit of Baht 10 million per transaction except raw material purchasing.
7. To consider recruitment, retirement, termination, transfer or other reasons specified in employment process, remuneration, compensation, bonus, and fringe benefit system approved from the Board of Directors to an employee, a staff member, an adviser who receives a regular salary.
8. To authorize, regulate, inform, and record the business operation disciplines regarding the Company's policy in order to maintain the conduct in organization.
9. To assist activities or any assignment from the Board of Directors.

Authorization is not included any transactions shall be inclusive of the shares held by related persons, company, or juristic person or any transactions associated with conflict of interest to the Company or the subsidiaries as required by the rules and regulations of applicable law. The above defined transactions must be proposed to the meeting of the Board of Directors or the AGM of Shareholders for consideration and approval according to any related regulations.

Company Secretary

The Board of Directors appointed Mrs. Rangsee Lertripinyo to be the Corporate Secretary. She has the following responsibilities:

1. Provide basic suggestion to directors which get involved with related law and regulation including always report the change and the practice of law and regulation.
2. Arrange the meeting regarding the law and regulation. Handle and keep the document of meeting including coordination of directors' practices and shareholders resolution with efficiency.
3. Take care of the information disclosure and information technology report to related units.
4. Provide to arrange new directors' orientation and training session for directors and executives.
5. Collect and pay attention on important documents which are director registration, notice to call directors' meeting, minutes of directors' meeting, annual report, notice to call shareholders' meeting and conflict of interest report of directors and executives.
6. Perform any other acts as specified in the notification of the Capital Market Supervisory Board.

The Company has disclosed the qualifications of the Corporate Secretary in the filing (Form 56-1).

The Remuneration of Directors and Management

The Company issued the policy of the Board of Directors and the management's remuneration with publicly and transparently process. The remuneration is considered by directors and high executives based on the duties, responsibilities and performances of each director and executive including the performance of the Company's operation. It is also in line with the remuneration in same industry. The Company set up remunerations for meeting attendance allowance and annual gratuity.

The directors' remunerations, which were approved by the Annual General Meetings of Shareholders on 18 April 2013, were summarized below:

Meeting Allowance	Per each meeting attendance/ Baht
Chairman of the Board of Directors	33,000
Member of the Board of Directors	22,000
Chairman of the Audit Committee	49,500
Member of the Audit Committee	46,200

Annual gratuity

The amount of gratuity is not over Baht 1.0 million and shall be allocated to the non-executive directors and/or independent directors.

Monetary remuneration

Unit: Baht

Name	Board of Directors		Audit Committee	
	2013	2012	2013	2012
Mr.Sanit Vorapunya	165,000	132,000	547,500	384,800
Mr.Sutham Malila	110,000	88,000	531,000	398,000
Ms.Nongram Laohaareedilok	110,000	88,000	531,000	384,800
Mr.Pongchai Amatanont	110,000	88,000	-	-
Mrs.Rangsee Lerttripinyo	110,000	88,000	-	-
Mr.Boonya Tantipanichapun	110,000	88,000	-	-
Mrs.Matinee Wandeepirom	110,000	88,000	-	-
Mr.Kaelic Amatanont	110,000	88,000	-	-
Ms.Chonthicha Siripongpreeda	110,000	88,000	-	-
Total	1,045,000	836,000	1,609,500	1,167,600

Management Remuneration	2013	2012	2011
Executive Remuneration (Million Baht)	49.35	43.43	44.15
Number of Executive Director (Persons)	12	11	11
Fringe Benefit	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance
Other welfares	Executive transportation and mobile phone	Executive transportation and mobile phone	Executive transportation and mobile phone

Other remuneration

-NONE-

Human resource

The company believes that company's growth depends on cooperative and quality of staffs; hence, all employees are the center of sustainable improvement and growth.

The number of employees and remunerations

The number of employees (excluding directors and management) of the Company and its subsidiaries was summarized below:

No.	Operational center	2013		2012		2011	
		Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)
1.	Forth Corporation Plc.	895	239.11	1,098	267.98	1,192	260.75
2.	Electronics Source Co., Ltd.	153	76.56	153	76.83	188	75.00
3.	Genius Traffic System Co., Ltd.	242	70.78	203	57.58	164	46.27
4.	JV Genius	30	10.43	37	9.68	33	8.11
5.	Forth Smart Service Plc.	148	40.51	129	31.81	124	25.64
6.	Forth Consulting Co., Ltd	12	7.06	16	20.13	62	13.35
7.	Forth Alliance Co., Ltd.	1	0.37	-	-	-	-
8.	Forth Lighting Co., Ltd.	-	-	-	-	-	-
	Total	1,481	444.82	1,636	464.01	1,763	429.12

During the past three years, the Company did not have any significant labour dispute that would be negative impact to the Company.

Other remunerations

The Company, its subsidiaries and their employees have jointly established provident fund in accordance with the Provident Fund Act B.E.2530. The Company and its subsidiaries contribute to the fund monthly at a rate of 3% of basic salary.

Human resource development policy

The Company not only offers employees a wide spectrum of training programs, consists of personal development program, general seminar as well as specialized training programs to help employees build best competencies, but it also focusing on building a great work place. The great work place will further enhance employee satisfaction and increase work efficiency.

Security and Shareholder Information

Registered and paid-up capital

As at 31 December 2013, the Company has registered capital of Baht 480 million, consisting of 960 million ordinary shares with a par value of Baht 0.5 each. The Company's issued and paid-up capital is Baht 480 million, consisting of 960 million ordinary shares with a par value of Baht 0.5 each.

Shareholders

Top ten shareholders of the Company as at 7 March 2014 (Record date) were as follows:

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
1	Amatanont family		517,693,500	53.93
	Mr.Pongchai Amatanont	366,744,400		
	Mrs.Rangsee Lertripinyo	58,915,500		
	Mr.Kaelic Amatanont	57,924,000		
	Mrs.Wuntana Amatanont	34,089,600		
	Mr.Chawin Lertripinyo	20,000		
2	Mr.Vichai Tongtaeng		70,000,000	7.29
3	Siripongpreeda family		34,831,900	3.63
	Mr.Poonsak Siripongpreeda	32,431,900		
	Mr.Somreuk Siripongpreeda	2,400,000		
4	Ninnoennont family		27,663,600	2.88
	Mr.Boonyong Ninnoennont	21,751,600		
	Ms.Boonyanid Ninnoennont	5,912,000		
5	Mrs.Matinee Wandeepirom		24,750,400	2.58
6	Tantipanichapun family		24,711,400	2.57
	Mr.Boonya Tantipanichapun	11,361,400		
	Mrs.Wipawan Tantipanichapun	13,350,000		
7	Ms.Kananuch Lekwichit		21,168,800	2.21
8	Sujjaborriboon family		18,831,400	1.96
	Mr.Thanin Sujjaborriboon	16,168,200		
	Mrs.Chuleeporn Sujjaborriboon	2,457,200		
	Mr.Thanes Sujjaborriboon	206,000		
9	Mr.Supat Pongrattanakul		15,745,300	1.64
10	Leelatheerakul family		14,327,700	1.49
	Mr.Kumthorn Leelatheerakul	14,317,700		
	Ms.Chittima Leelatheerakul	10,000		
	Others		190,276,000	19.82
	Total		960,000,000	100.00

Dividend Policy

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 forward (if any) in the 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 performance, financial position, liquidity and the need to expand its operations as well as the working capital requirements.

The subsidiaries have policies to pay dividends to the shareholders at the rate of not less than 20% of the net profit after corporate income tax of their financial statements depending on the investment plan and the expanding of the business of the subsidiaries well as other necessity and propriety.

Year	<u>2013</u>	<u>2012</u>	<u>2011</u>
Earnings per share (Baht per share)	0.18	0.12	0.41
Dividend per share (Baht per share)	0.27	0.12	0.29
Dividend payment rate (%)	150	99	70

Corporate Governance

The Company's Board of Directors recognized the good corporate governance is the best practice to generate the high beneficence to shareholders and stakeholders. Also, it can bring the achievement of business operation and sustainable development organization. Therefore, the Board of Directors established and approved the policy of corporate governance and code of conducts under good governance principle regarding the practice of The Stock Exchange of Thailand. The board, executives and employees have already accepted and followed up the policies strictly in 2013 as follows:

Section 1

Rights of Shareholders

The Board of Directors recognizes the importance of fundamental rights of shareholders and makes every effort to treat the shareholders equally and legally. The basic legitimated rights of shareholders include the rights to buy, sell, or transfer shares, rights on eligibility to receive dividend payment, the right to receive sufficient information in a timely manner to participate in shareholders' meetings, the right to vote on various businesses agenda, the right to appoint a proxy to participate, the right to vote on the annual appointment of directors and independent auditors, the right to give opinions and enquiry of business matters of the Company during the shareholders' meetings, the right to set up in advance on agenda and nominate any external candidate for director position. The Company has control corporate governance on shareholder right tasks and avoids any action that violated of any right of shareholders.

Arrangement of Annual General Meeting of Shareholders

The Company has arranged the 2013 Annual General Meeting (AGM) of Shareholders according to the regulations of the Stock Exchange of Thailand in accordance with the guidelines issued by the Security Exchange Commission and AGM Checklist. This checklist provides a convenient structured format for evaluating AGM arrangement. In the 2013 AGM, Thai Investor Association assessed the result of AGM of the Company which received the excellent level with scoring 98 points out of 100 points.

Meeting venue

Along with the Company's Articles, the Company is required to have an annual general meeting of shareholders within a period of 4 months from the end of the fiscal year. The 2013 Annual General Meeting of Shareholders was held on 18 April 2013 at 02.00 p.m., at Victory Room, 2nd Floor, VIC 3 Bangkok, 89 Soi Phaholyothin 3, Phaholyothin Road, Phayathai, Bangkok.

Before the date of meeting

The Company arranged for delivery of the notice to call shareholders' meeting to Thailand Securities Depository Co., Ltd. (TSD), which is the Registrar of the Company. The shareholders received sufficient information on complete set of supporting documents for the meeting for their consideration at least 7 days prior to the meeting date. The attachment document is prepared to support shareholder decision on the Annual General Meeting of Shareholders' agenda resolution and ensure the full reception on shareholder right, the documents includes:

- Facts and the reasons along with the board comments and suggestion.
- The supporting documents e.g. directors' biography and definition of independent director in the director election agenda, details of remuneration of directors and sub committees for the directors' remuneration agenda.
- Detail of the Annual General Meeting and proxy processes, including a proxy form given to the independent directors identify the shareholder's resolution on voting.
- The Company respect shareholders' right to attend the 2013 Annual General Meeting of Shareholder and the agenda have not added or adjusted immediately without shareholder notice in advance.

- All of the information sent in document form was also posted on the Company's website (www.forth.co.th) at prior to the meeting date so that shareholders received the information in a convenient and timely manner.

At the date of meeting

The Company arranged and facilitated the registration of meeting attendance for shareholders to with transparency and convenient. Especially, the Company granted an opportunity to shareholders to ask questions and make any suggestion in the following topics.

- Encourage the Board of Directors and executives to clearly answer and consider all shareholders opinion and suggestion. In 2013, all directors (9 persons) attended the meeting, representing 100% of total board members.
- Arrange to ensure that the agenda sequence is on schedule set up in the meeting notices.
- Offer all shareholders in equity to give suggestions and ask questions within appropriate topics, and allowed directors in charge of the topics that were raised to clarify and provide complete information to shareholders. All the meeting process has to be recorded completely.
- Chairmen of the meeting offered all shareholders an adequate time frame and conduct meeting flow appropriately and transparently then allow shareholders to vote and counted voting formally and record in agenda resolution.
- The counting of votes was carried out in a transparent manner with vote counting cards. One share equals one vote, and approval of a resolution was based on the majority of votes. In the event of a tie vote, the chairman of the meeting should have a casting vote for judgment. Voting of special resolutions is to be complied with the Company's Articles, laws or regulations of related regulators.
- The shareholders, which have special benefits from any agenda, are not permitted to vote on that agenda.
- The Company hired outsource law advisor as inspector to review agenda resolution and voting results.

After the date of meeting

In 2013, the Company publicized the resolutions of the Annual General Meeting of Shareholders through the Stock Exchange of Thailand a day after meeting concerning the voting results on each agenda and submitted the minutes of Annual General Meeting of Shareholders which identified name of board committee, and the voting result of agree, disagree, or abstain the vote right on each agenda and informed the key issue on question and answer from shareholders including an explanation in detail from executives to The Stock Exchange of Thailand and related regulators within 14 days as well as post all information in the Company's website (www.forth.co.th).

Section 2

Equitable Treatment of Shareholders

Recognizing the importance of equitable treatment of shareholders, The Board of Directors has established a corporate governance policy based on shareholders' rights and the equal and fair treatment of all shareholders, and has undertaken the following tasks:

1. Shareholders had the option to appoint proxies to the meeting.

Shareholders unable to participate in the meeting had the option to appoint proxies to the meeting. Proxies could be external person or independent directors nominated by the Company appointed to participate in voting on behalf of the shareholders. The assigned shareholder must submit proxy forms with voting right detail and attach ID card or passport or other identification document to the Company before the day of Annual General Meeting of Shareholders. The Company sent a notice to call the Annual General Meeting of Shareholders including proxy forms as an attachment with the notice or the shareholders can download from the Company's website (www.forth.co.th).

2. To provide shareholders with the opportunity to propose matters to consider including as agenda items, per specified criteria.

To promote good governance, the Company provided shareholders with the opportunity, before the Annual General Meeting of Shareholders, to propose matters to consider including as agenda items, per specified criteria by:

- a) Shareholders who need to propose any additional issue to be included in the agenda items have to attach the information and the reason supporting, facts, and necessary document in proposed the Annual General Meeting agenda form, which can be download on the Company's website (www.forth.co.th) or contact the Company directly.
- b) The shareholders of the Company will be asked to confirm and approve the shareholder rights of the person who propose additional agenda with shareholder's registration at closing registration date. The criteria for shareholders to propose additional agenda of the Annual General Meeting of Shareholders is that matters have to creating material effect on the Company's business or operation. If the Board of directors consider the appropriateness of the agenda proposed by the shareholders, the propose agenda would be included as the meeting agenda together with the specification that the agenda has proposed by shareholder. For the disapproved matters, the Company will inform the shareholders for acknowledgement together on the Company's website.

3. Shareholders had right to propose qualified persons to be elected as directors.

The shareholders have right to propose qualified persons for the director nomination. The persons, who are proposed, must have qualifications according to the criteria as follows:

1. Having the qualification according to the Public Company Act, Securities and Exchange Act and the Good Corporate Governance.
2. Being knowledgeable, capable, independent, dedicated, and healthy mentally and physically, be of suitable age and be able to perform director's duties with care and loyalty.
3. Devoting time adequately and put effort with full capacities for Company's benefit. It's a must to attend every meeting of Board of Directors
4. Should not serve board positions more than 5 listed companies.

The independent directors will consider those qualified persons to propose in the Annual General Meeting of Shareholders for the resolution. However, if the independent directors do not select those persons to propose in the meeting, those candidates will be proposed in the Annual General Meeting of Shareholders without opinion of directors for final resolution. The documents, which must be attached for the proposal, are (1) the form of director nomination's proposal and (2) the personal information of the person who are proposed to be elected as directors or confirmation agreement from securities/agencies which the data owner must sign off and certify the accuracy of documents. Those documents must be submitted and delivered to the Company within issued date.

4. Usage of inside information

The Company established regulation to limit the use of inside information to only the directors, executive directors or higher executives within the Company. Financial statements that went through the validation would be kept with the Vice President of Accounting and Finance. The other inside information would be discussed among management level only. The Company set penalties for the use of inside information which causes damage to the Company.

Furthermore, the directors and the executives must report the change of Company's security holding to the Securities and Exchange Commission which based on the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand under Section 59 of the Act on Securities and Stock Exchange B.E. 2535. They acknowledged the punishment pursuant, also required to be disclosed is the change in ownership of assets by a spouse and children who have not reached the age of majority within three days from the change. They have to inform the Company's Corporate Secretary to make the record of the change and summarize the number of securities of each director and executive for presenting to the Board of Directors in the next Board of Directors' meeting.

5. The governance concerning securities trading of insiders

The Company has policy for employees, executives and people who perceive financial statements or other information, which could affect to the securities price of the Company, reveal to outsiders or irrelevant people and prohibit to trade securities for 1 month before financial statements or other information, which affect the price of securities, public announcement. The Company would punish relevant people who use the information to manipulate the Company's securities price.

6. The Investor Relation

The Company established the investor relation department which is responsible for investor relation workloads. The department plans and arranges the activities to approach the shareholders, investors, securities analysts and press reporters to disclose information needed for investment analysis. Moreover, the objective of department purposed to establish the reliability of the Company's operation. People, who would like to collect the Company's information, please contact the address below.

Investor Relation Department

1053/1 Phaholyothin Road Samsennai, Phayathai, Bangkok, 10400

Tel : 0-2265-6700, Fax : 0-265-6799

Website : <http://www.forth.co.th/investor>

Email : investor@forth.co.th

Section 3

Roles of Stakeholders

The Company always consider the particular emphasis on the equal rights of internal and external stakeholders i.e., shareholders, employees, customers, debtors, suppliers, and social responsibilities both of the Company and affiliates.

Shareholders

The Company's objectives aim at the maximization of shareholders' wealth with sustainable growth and stabilities. We put effort to increase the competitive advantage and manage the corporate risks in order to make value added for the Company in the long run.

Employees

Employees are valuable assets of the Company. The Company recognizes the need for proper personal rights and protection. The Company then focuses on the welfare and fringe benefit including the safety of our employees.

- Welfare and fringe benefit of employees
 1. Accident insurance
 2. Life and health insurance
 3. Provident Fund

4. Subsidy money for the death of employee and their parents, spouse and children
 5. Employee's uniform and sport field for employee activities
 6. Annual New Year Party, Outing Trip and Sport Day
- Safety policy of employees

The Company aims at process of occupational health and safety management system or OHSAS 18001 (version 2007) which emphasizes on the safety and healthy of employees with deduction of accident rate and pollutant protection in organization including society. Moreover, the Company provides the annual training of fire incident case both for head office and factory.

Customers

The Company aims to promote customer satisfaction by offering high quality products and full integrated services through ISO 9001 standard (version 2008). The Company pays attention and holds itself accountable to customers, and more importantly, provides high significance to the protection of their confidential information. Moreover, the Company provides the department of service call center in order to take care of customer's problems both pre and post sales. The customers can complain, consult, use service of installation and fix products of business communication system. The customers can contact as below address:

Forth Service Call Center

226/25, 26 Phaholyothin Road Samsennai, Phayathai, Bangkok, 10400

Tel: 0-2615-0606

Fax: 0-2615-0606 ext. 2199

Email: service@forth.co.th

Business Partners

The Company respects to provide goods and services with high standard, and aims to establish long-term relationship with counter party and contract party with clear objectives in quality of product and services; therefore, the Company has procedure to deal the business with counter parties as follows:

- Partner selection from price and quality with fairness in competition, symmetry information and transparency
- For business negotiation, the directors, executives and employees must not receive money, gift or any asset from counter parties or business partners which relates to dishonest behavior
- Practice the agreement strictly and make deal payment on time
- Protect information and keep secret between the Company and business partners
- Inform the related law and regulation and practice with honesty and reliability

Loan creditors

The Company strictly follows up loan contracts and conditions strictly and legally with on time payment and information disclosure as request from financial institutions by accuracy and readiness. We also take care of collateral assets and coordinate with debtors for problem solution and unexpected cases.

Government agencies

The Company is committed and ready to follow the principles of corporate governance, legal penalties and standards of conduct of related state agencies.

Corporate social responsibilities

Apart from being the manufacturer of telecommunication and electronic products, the Company also recognizes the important of Corporate Social Responsibility for creating sustainable economy and society in Thailand.

Environment

Our factory is verified and certified the ISO 14001 (version 2004) from the SGS Standard Institution of Thailand which accreditation of UKAS and NAC in order to operate business according the Thai law of Environment.

The mechanism of stakeholders' complaint

The Company develops communication channel to deal with appeal from all stakeholders mention above. Stakeholder who possesses appeal must submit documentary appeal to the company secretary as mentioned address below, and then the company secretary will review and process their appeal to the audit committee, independent directors, or board committee for improvement by

1. The appeal from shareholder will be process to the audit committee or board committee or can contact directly to chairman/audited committee via the Company's address.
2. The appeal from customer counterparty or external person will be process to executive director to solve the problem then report to board committee later.
3. The appeal from creditor will be process to executive director to consider whether to submit appeal for board committee consideration.

The stakeholders can make complaint and suggestion the Company's directors and audit committees through the following detail of contact person and address:

Corporate Secretary

Forth Corporation Public Company Limited
 1053/1 Phaholyothin Road Samsennai, Phayathai, Bangkok, 10400
 Tel: 0-2265-6700
 Fax: 0-2265-6799

Section 4

Disclosure and Transparency

Realizing the importance of transparent information disclosure, the Company has set up and supervised clear policies concerning communication with external parties timely and accuracy. The objective of these policies is to ensure that the disclosures of Company's financial information and operating performance, and non financial by download financial reports, annual report, 56-1 from related agency website e.g. the Stock Exchange of Thailand, the Securities and Exchange Commission or the Company's website (www.forth.co.th) that has been periodically update.

During the year, the Company arranged company visiting for any groups to visit factory for example, shareholders, reporters, financial institutions, customers or educational institutes and etc. In addition, the Company realized the important of information disclosure to investors and stakeholders, so we has develop the effectiveness of the disclosure procedures that always comply with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission in annual report and AGM invitation letter to clarify board committee and independent directors the role and duties of the Board of Directors and audit committee, the number of meetings held and the number of times each director attended board meetings in the previous year including the audit committee recommendation and advice. The board committee responsibility to financial reports has been declared with auditor's reports.

Record of the Director's attendance at meetings in 2013

No.	Name	Attendance/Meeting
1	Mr. Sanit Vorapunya	5/5
2	Mr. Sutham Malila	5/5
3	Ms. Nongram Laahaareedilok	5/5
4	Mr. Pongchai Amatanont	5/5
5	Mrs. Rangsee Lerttripinyo	5/5
6	Mr. Kaelic Amatanont	5/5
7	Mrs. Matinee Wandeepirom	5/5
8	Mr. Boonya Tantipanichapun	5/5
9	Ms. Chonticha Siripongpreeda	5/5

Record of the Audit Committee's attendance at meetings in 2013

No.	Name	Attendance/Meeting
1.	Mr. Sanit Vorapanya	5/5
2.	Mr. Sutham Malila	5/5
3.	Ms. Nongram Laahaareedilok	5/5

Section 5**Responsibilities of The Board of Directors****The Board of Directors' structure**

There are 9 members of the Board of Directors who are 3 independent directors, which approximately 1 to 3 times of all members. The qualifications of the Company's independent directors are equivalent to the regulations of the Securities and Exchange Commission. Qualifications of independent director, name list and responsibility of the Board of Directors and selection process have been disclosed in section of "Management structure".

The Company established the policy that limits the number of board position to be the board of listed companies not more than 5 companies. However, the Company has not established the state term of service of directors yet but the Company considers the knowledgeable competency of directors to retain their term of services instead.

The board's policy is that the chairman shall be independent and non-executive at a time to ensure clearness and transparency by outlining duty and responsibility of chairman obviously as well as reveal the qualifications of "board committee" in detail on the annual disclosure form (form 56-1) which can be download from related agency website e.g. the Stock Exchange of Thailand, the Securities and Exchange Commission or the Company's website (www.forth.co.th).

Sub-committees

The Board of Directors has established a sub-committee, being the investigation committee made up of 3 independent directors. Audit committee responsibility in summary is to review financial statement, review company business compliance, review internal control system, reveal inside information disclosure on related party transaction or conflict of interest. The qualification and duty in detail has described in the management structure section in this report.

Code of conduct

The Board of Directors promoted to arrange the code of conduct of business operation for directors, executives and employees for their working practices with promptly responsibilities. The objectives of code of conduct aim at to retain the advantage of stakeholders and reliability of company sustainable growth.

Risk management policy

The Board of Directors established the policy of corporate risk management to cover whole organization which begins with the process of risk specification through risk assessment, risk investigation and risk control. Then the Company established the measurement of risk protection to manage with efficiency and effectiveness.

Guide for Remuneration of the Board of Directors

Determination of remuneration for the Board of Directors and executives are taken into consideration their duties and limitation of responsibilities, performance evaluation as well as the Company's operation performance. Additionally, it shall be considered in line with the industry standard. As such, the remuneration for directors must be approved by a shareholders' meeting.

State term of service

At the Annual General Meetings of Shareholders in every year, one-third or approximately one-third of the Board of Directors must retire from the position. Directors who retire from the position may be reappointed for another term and the chosen one will be in position from the nominated date until the Annual General Meeting of Shareholders in the next year.

Self-Assessment of the Board of Directors

The Board of Directors arranges for an evaluation of the work performance of the board. Such the evaluation must take place at least once per year to increase the quality and understanding of the joint cooperation of the Board of Directors.

Development of directors and managers

The board provides the new directors' orientation to facilitate them understand the basic of company business operation and related law and regulation. Besides, the board has a policy to encourage all directors, executives and company secretaries to participate in training relating to management of the Company's operation. Such training shall be consistently help both internally and by outside institutions such as the Stock Exchange of Thailand, the Securities and Exchange Commission or Thai Institute of Directors (IOD).

Succession Plan

The board established the policy, basic of the selection of executives and succession plan for emergency case or retirement of the executives with transparent process. The board considers the person from education and competency including experience and business ethnic.

The orientation of new directors

The appointment of new directors and executives, the Company would supply basic company information such as the organization structure, management structure, nature of business, main products, rules and regulation and laws relevant to the Company including the Securities and Exchange Commission and the Stock Exchange of Thailand's regulation and law. This will facilitate the new director's understanding of the Company's operation and the duties and responsibilities associated with being a director or independent director.

The Meeting of Non-Executive Directors

The Company provides the meeting of non-executive directors appropriately in order to give opportunity to non-executive directors to discuss problems and suggestion for company operation development.

The policy of internal information usage

The Company established a policy to prohibit employees and management from gaining access to internal information relating to the Company's operation, as well as the buying and selling of the Company's securities from the date information is known until the date the information is made public, especially trading within 1 month before financial statement public announcement. Information that should not be disclosed cannot be circulated for the purpose of increasing the value of the Company's securities.

In addition, directors and executives must report the ownership of the Company's securities to the Securities and Exchange Commission regarding the Statement Act B.E. 2535, as well as they acknowledged the punishment pursuant, also required to be disclosed when the change emerged in ownership of securities by a spouse and immature children. The directors and executives must submit a copy of the notification to the Company on the same date the notification is submitted to the Securities and Exchange Commission. The notification is required to be submitted within 3 working days.

Corporate management and the management of subsidiaries and associates

The Board of Directors uses its authority to oversee and manage the Company's subsidiaries and associates according to the Company's objectives and Articles of Association, as well as in compliance to any resolutions passed at shareholders' meeting. The management and oversight is performed through the appointment of the Board of Directors, or by authorizing any other persons if necessary, to perform the business operations in compliance with the directions set by the Board of Directors to ensure good corporate governance and maximum benefits for the Company and its shareholders.

The Company's Board of Directors will assign Chief Executive Officer to select and appoint eligible persons for the member of the Board of Directors of the subsidiaries and associates. Those persons are to be the member of the Company's Board of Directors. Selection criteria of the director position and management position included qualification, skill and working experiences. The nominated persons shall operate and/or oversee the activities of the subsidiaries and associates in accordance with the Company's policies and good corporate governance. Furthermore, they have to comply with regulations regarding connected transactions and the acquisition and disposals of assets, preparing correct and reliable financial information and financial statements, and maintaining sufficient and adequate internal control systems.

Corporate Social Responsibility

The Company has set procedure for social responsibility, for example, good corporate governance, business fairness, observance of human rights, fairness to employee, responsibility to consumer, community and society development, and environment preservation.

Good Corporate Governance

The Company has efficient and transparent management system, which can be verifiable. This would build trust and confidence to shareholders, investors and relevant groups in order to achieve sustainable growth for the business.

Business fairness

The Company gives precedence to fair business under corporate governance principle. The Company also respects the society restrictions, encourage fair business competition, respect property rights, and follow related regulations.

Observance of human rights

The Company gives precedence to human right, fundamental freedom and allows equitability operation without sex distinguish, level out the organization hierarchy and prevent child labour.

Fairness to employee

The Company takes consideration on guard the society right of employees, including occupational health and safety according to the law. Furthermore, the Company has built great relationship between employees and organization by preparing fair human resource management including compensation, welfare, career development, and promote society participation.

Responsibility to consumer

The Company concentrates on fair marketing practices which mainly consider meeting the need of customer satisfaction, including customer complaints, user suggestions and services. This is to maximize customer satisfaction and sustain the relationship.

Community and society development

The Company supports public activities, and also encourages and supports the employees' engagement in volunteering and working with the local communities.

Environment preservation

The Company is willing to effectively and strictly manage environment according to standards, in order to prevent and reduce environmental problem. Furthermore, joining and creating activities with other society segments helps the company to reserve and improve environment quality.

Activities for society and environment benefit during 2013.

- Blood donation to Faculty of medicine at Siriraj hospital
- Money donation for Faculty of engineering at King Mongkut's Institute of Technology Ladkrabang to support CE smart camp in order to improve high school student's knowledge and give a guide about computer engineering field.
- Money donation to support TESA Top gun rally to find the most skillful individual on embedded system of Thailand from Thai Embedded Systems Association
- Money donation to heart center Thammasat University hospital
- Donate the second hand office equipment to Suankaew temple

- Money and stationery donation to schools and communities nearby the factory
- Lend candle offering to Nyannavesakavan temple

Corruption prevention

Corruption prevention Policy

The Company has not set corruption prevention policy; however, the Board of Directors has resolution to preserve the organization to stick to the laws. In this case, regulation has covered bribe regulation and corruption encouragement regulation. Furthermore, the Board of Directors is responsible to prevent any cause and effect to any types of corruption.

Internal Control and Risk Management

Summary of the Board of Directors and the Audit Committee opinions about the Company's internal control systems

At the Board of Directors meeting No.1/2014, held on 20 February 2014 with the Audit Committee present, the Board of Directors assessed the internal control system by questioning information from management regarding the following five areas of the Company's internal control system; control environment, risk assessment, control activities, information and communication and monitoring activities. After consideration, the Board of Directors concluded that there is sufficient control system on business transaction with major shareholders, directors, management and their related persons. The control systems surrounding five areas are suitable and sufficient to safeguard the Company's assets from misappropriation used by management. The internal auditor could follow up and evaluate the internal control systems independently. In the past, there was no material deficiency in the Company's internal control systems. Furthermore, the Company also has document filing system for directors, auditors and the authorities to examine within suitable time frame.

Furthermore, EY Office Limited (formerly known as "Ernst & Young Office Limited"), which is the Company's auditor for 2013, has assessed internal control effectiveness of the Company and concluded that there was no material deficiency in the Company's internal control system.

For internal control system, the Company has hired Acc-Plus Consultant Company Limited, to perform internal audit. In 2013, the internal auditor has evaluated production system, purchasing system and inventory management system. However, other systems would be rotated as appropriated to ensure consistency with business environment and prevent from risk factors that always happen. The audit result would be presented in the meetings of Audit Committee and the Board of Directors to consider for future improvement. The internal auditor has important suggestions as follow:

The Company should establish risk management committee and working team to response to all kind of risk. Currently, the Company performed risk management by set up a meeting between executive every month.

Nevertheless, the Board of Directors agreed with the comment and would take action within 2014.

Audit Committee report has shown on the 70th page of the 2013 Annual Report and the Appendix of the filing (Form 56-1).

Information about internal audit unit

The Company does not have own internal audit unit, however, in the meeting of the Audit Committee No.3/2013 on 8 August 2013, the Audit Committee appointed Acc-Plus Consultant Company Limited to be the Company's internal auditor starting from 17th September 2013 onwards. Acc-Plus Consultant Company Limited has assigned Miss Wanna Maluengnon, Managing Director, to take responsibility for internal audit of the Company.

The Audit Committee has considered and approved Acc-Plus Consultant Company Limited and Miss Wanna Maluengnon to be the Company's internal auditor due to their independency, education, training and audit experience. The Company has also assigned Mr.Arin Jamnaree, financial controller, to be coordinator with the internal auditor.

Nevertheless, the Audit Committee has to consider and approve on the qualification of internal auditor before hiring. The qualification of internal audit is stated in the Appendix of the filing (Form 56-1).

Connected transactions

According to the consolidated financial statements for the year ended 31 December 2013, the Company and its subsidiaries have transactions with persons or business bodies with possible conflicts of interest as follows:

The Company against the persons that possibly have conflict of interest	Relationship	Transaction type	Value (Baht) for the year ended 31 December 2013	Description and Conditions of transaction	Audit Committee's opinion regarding necessity and reasonability of transaction
Mr. Pongchai Amatanont	<ul style="list-style-type: none"> Director of the Company The Company's shareholder with 41.75% shareholding (including spouses and immature children) 	Rental expenses	240,000.00	GTS has leased 160 square wah of factory building in the Factory Land located at 66/18, Factory Land from Mr. Pongchai Amatanont in order to establish their factory which started by 1 May 2011 to 30 April 2014. The monthly rental fee is amounting to Baht 20,000 and the appraisal price from independent appraiser is equal to Baht 40,000 per month according to the report dated 20 May 2005.	This transaction is short-term lease of real estate which is not over 3 years rental period and it is regular supported business transaction with market price reference.
			240,000.00	GTS has leased 160 square wah of land which located on 66/23-24 Sampran, Nakompathom from Mr. Pongchai in order to establish GTS factory which started by 1 January 2012 to 31 December 2014. The monthly rental fee is amounting to Baht 20,000 and the appraisal price from independent appraiser is equal to Baht 38,000 per month accordance with the report dated 14 Sep 2005.	This transaction is short-term lease of real estate which is not over 3 years rental period and it is regular supported business transaction with market price reference.

The Company against the persons that possibly have conflict of interest	Relationship	Transaction type	Value (Baht) for the year ended 31 December 2013	Description and Conditions of transaction	Audit Committee's opinion regarding necessity and reasonability of transaction
Mrs. Rangsee Lertripinyo	<ul style="list-style-type: none"> • Director of the Company • The Company's shareholder with 6.14% shareholding 	Rental expenses	540,000.00	<p>The Company has leased 3 floors building with 3 arched units located on 226/13-15 Phayathai, Bangkok from Mrs. Rangseei to be the head office of the Company. The period started from 1 June 2009 to 31 May 2012 with 3 years of rental period. The monthly rental fee is amount of Baht 45,000. The renewal of rental contract started from 1 June 2012 to 31 May 2015 at the same rental charge. The appraisal price from independent appraiser is equal to Baht 96,000 per month according to the report dated 20 May 2005.</p>	<p>The transaction is short-term lease of real estate which is not over 3 years rental period and it is regular supported business transaction with market price reference.</p>
Mrs. Punnee Siripongpreeda	Mother of Ms. Chanticha Siripongpreeda, who is the Company's director.	Rental expenses	-	<p>Mrs. Punnee offered a unit of building on Baan Mo road to ES to use as its office place with gratuitousness.</p>	<p>The transaction is short-term lease of real estate which is not over 3 years rental period and it is regular supported business transaction with no market price reference.</p>

The Company against the persons that possibly have conflict of interest	Relationship	Transaction type	Value (Baht) for the year ended 31 December 2013	Description and Conditions of transaction	Audit Committee's opinion regarding necessity and reasonability of transaction
Genius Electronic Meter Co., Ltd. (GEM)	GEM's shareholder of 45%	Trade and other receivables - Beginning of year - Sold during the year - Value Added Tax - Interest income - Rental income - Decrease during the year - End of year	2,384,971.22 1,531,522.12 107,206.55 655,227.41 720,000.00 <u>(620,169.30)</u> 4,778,758.00	The regular business transaction and it is compared to market price.	It is commercial transaction of the Company and related companies. It is regular business transaction which is appropriate and necessary with suitable and reasonable commercial conditions.
		Trade and other payables - Beginning of year - Purchased during the year - Value Added Tax - Rental expenses - Decrease during the year - End of year	146,782.29 874,644.70 61,225.13 360,000.00 <u>(1,286,912.11)</u> 155,740.01	The regular business transaction and it is compared to market price.	It is commercial transaction of the Company and related companies. It is regular business transaction which is appropriate and necessary with suitable and reasonable commercial conditions.

The Company against the persons that possibly have conflict of interest	Relationship	Transaction type	Value (Baht) for the year ended 31 December 2013	Description and Conditions of transaction	Audit Committee's opinion regarding necessity and reasonability of transaction
Genius Electronic Meter Co., Ltd. (GEM) (Continued)		Loan receivable and Accrued interest receivable - Beginning of year - Additional loan - Received payment - End of year Interest income Rental income	15,105,000.00 2,000,000.00 <u>(500,000.00)</u> <u>16,605,000.00</u> 655,227.41 720,000.00	<p>The Company provided loan to GEM for their circulating capital in case of Bank credit shortage for the business operation.</p> <p>The Company provides GEM a lease contract of factory building with 1,580 sq.metre of usable area in Factory Land located on 66/350 Sampran, Nakompathom. The period started from 1 March 2012 to 28 February 2013 with 1 year of rental period. The rental rate is Baht 60,000 per month. The renewal of rental contract started from 1 March 2013 to 28 February 2014 at the same rental charge. The appraisal price from independent appraiser is equal to Baht 55,000 per month accordance with the report dated 20 May 2005.</p>	<p>This transaction is financial assistance offered with interest rate reference from the Company's financial cost receiving from the Financial institutes and due date of payment on request.</p> <p>The transaction is short-term lease of real estate which is not over 3 years rental period and it is regular supported business item with market price reference.</p>

The Company against the persons that possibly have conflict of interest	Relationship	Transaction type	Value (Baht) for the year ended 31 December 2013	Description and Conditions of transaction	Audit Committee's opinion regarding necessity and reasonability of transaction
Genius Electronic Meter Co., Ltd. (GEM) (Continued)		Rental expense	360,000.00	GTS leases factory building (a part of GEM's area) in Factory Land located on 66/350 Sampran Nakornpathom. The period started from 1 March 2012 to 28 February 2013 with 1 year of rental period. The rental rate is Baht 30,000 per month. The renewal of rental contract started from 1 March 2013 to 28 February 2014 with the same rental charge. The appraisal price from independent appraiser is equal to Baht 55,000 per month accordance with the report dated 20 May 2005.	The transaction is short-term lease of real estate which is not over 3 years rental period and it is regular supported business transaction with market price reference.
Forth Tracking System Co., Ltd. (FTS)	FTS's shareholder of 34%	Trade and other receivables - Beginning of year - Sold during the year - Value Added Tax - Decrease during the year - End of year	5,789,644.62 8,291,743.68 580,422.06 <u>(8,506,865.83)</u> <u>6,154,944.53</u>	The regular business transaction and it is compared to market price.	It is commercial transaction of the Company and related companies. It is regular business transaction which is appropriate and necessary with suitable and reasonable commercial conditions.

The Company against the persons that possibly have conflict of interest	Relationship	Transaction type	Value (Baht) for the year ended 31 December 2013	Description and Conditions of transaction	Audit Committee's opinion regarding necessity and reasonability of transaction
Forth Tracking System Co., Ltd. (Continued)		Trade and other payables - Beginning of year - Purchased during the year - Value Added Tax - Decrease during the year - End of year	473,263.84 801,000.00 56,070.00 <u>(1,175,825.84)</u> 154,508.00	The regular business transaction and it is compared to market price.	It is commercial transaction of the Company and related companies. It is regular business transaction which is appropriate and necessary with suitable and reasonable commercial conditions.
Mindmap Commtech (MCI)	MCI's shareholder of 40%	Trade and other receivables - Beginning of year - Sold during the year - Value Added Tax - Decrease during the year - Difference of exchange rate - End of year	9,206,671.93 9,379,790.49 0.00 <u>(17,669,097.77)</u> 29,486.25 <u>946,850.90</u>	The regular business transaction and it is compared to market price.	It is commercial transaction of the Company and related companies. It is regular business transaction which is appropriate and necessary with suitable and reasonable commercial conditions.

The Company against the persons that possibly have conflict of interest	Relationship	Transaction type	Value (Baht) for the year ended 31 December 2013	Description and Conditions of transaction	Audit Committee's opinion regarding necessity and reasonability of transaction
FPT Payment Technology Joint Stock Company (FPT)	FPT's shareholder of 30%	Trade and other payables - Beginning of year - Purchased during the year - Value Added Tax - Decrease during the year -Difference of exchange rate - End of year	0.00 9,410,302.65 0.00 0.00 1,314,727.05 <u>10,725,029.70</u>	The regular business transaction and it is compared to market price.	It is commercial transaction of the Company and related companies. It is regular business transaction which is appropriate and necessary with suitable and reasonable commercial conditions.

Management discussion and analysis of financial position and operating results

Overall operating performance of the Group

Unit: Million Baht

	2013	2012	Increase (decrease)	Variance (%)
Total revenues	4,520	5,938	(1,418)	(24%)
Net profit	254	120	134	112%

The Group had total revenues in 2013 of Baht 4,520 million, decreased by Baht 1,418 million or 24% compared to total revenues in 2012 of Baht 5,938 million which was mainly due to the decrease of an electronic turnkey contract from one of our major clients.

In 2013, the Group had net profit of Baht 254 million, increased by Baht 134 million or 112% compared to net profit in 2012 amounting to Baht 120 million which was mainly due to the increase in gross profit and the decrease from financial costs.

Analysis of revenues

	2013		2012	
	Million Baht	%	Million Baht	%
Revenues from main business				
Electronics manufacturing services business	1,628	36	3,948	67
Telecommunication business	515	11	480	8
Technology related business	1,525	34	906	15
Retail business	803	18	553	9
Total revenues from main business	4,471	99	5,887	99
Other income	49	1	51	1
Total revenues	4,520	100	5,938	100

EMS business

In 2013, the Company generated revenue from EMS business of Baht 1,628 million which decreased by Baht 2,320 million due to the cease of hard disk drive production for our major client, Western Digital (Thailand) Co., Ltd since the end of July 2013. For electronic parts distribution, the Company still maintains the sale volumes and the gross profit margin of the electronic parts similar to the last year.

Telecommunication business

In 2013, the telecommunication business of government sector has slowed down continuously from last year. The new project occurred during the year such as procurement project of Wireless High Speed Internet for Smart Thailand of TOT Plc. amounting to Baht 149 million and the modification of IP phone system for all police stations (Phase1) of Royal Thai Police amounting to Baht 84 million.

Related technology business

The Company generated revenues for 2013 from related technology business, amounting to Baht 1,525 million which increased by Baht 619 million. The increase derived from the 2 main areas:

- The manufacture, distribution and installment of the traffic light equipment and system, close circuit cameras (CCTV), the electronic board system and equipment and its services mainly for Bangkok Metropolitan Authority. The Company generated the revenue in 2013 amounting to Baht 1,310 million which increased by Baht 792 million. Most of the revenue derived from installing CCTV during the end of 2012.
- The implementation of ERP system, the Company generated revenue of Baht 202 million in 2013 which decreased by Baht 165 million comparing to last year. The service was provided to 2 public sectors e.g. Metropolitan Electricity Authority and Thai Airways International Plc.; while in 2012, the service was provided to 3 public sectors e.g. Metropolitan Electricity Authority, the State Railway of Thailand and Thai Airways International Plc.

Retail business

In 2013, the online top-up service business has been continuously growing and the Company generated revenue from online top-up service of Baht 803 million, which increased by Baht 250 million comparing to last year because the number of kiosks has been increased from 19,000 kiosks to 29,000 kiosks and the revenue from online-top-up service increased from Baht 4,700 million to Baht 7,400 Baht. In addition, the Company had been conducted marketing activities continuously.

Costs and expenses

Unit: Million Baht

	2013	2012	Increase (decrease)	% Variance
Cost of sales/services/project work	3,433	5,097	(1,664)	(33)
Selling expenses	89	62	27	44
Administrative expenses	565	541	24	4
Financial cost	89	122	(33)	(27)
Total expenses	4,176	5,822	(1,646)	(28)

Cost of sales/services/project work

Cost of sales/services/project work for 2013 were Baht 3,433 million, decreased by Baht 1,664 million or 33%. The decrease was in line with the declining sale of EMS business. In addition, the reduce cost to net realisable value of inventories, which is included in cost of sales decreased by Baht 21 million as a result of efficient inventory management and the depreciation of the top-up kiosks, which is included in cost of services decreased by Baht 47 million as a result of the change in estimated useful life of top-up kiosks from 5 years to 8 years.

Selling expenses

Selling expenses increased by Baht 27 million. It was mainly resulted from the marketing expenses of Forth Smart Service Co. Ltd ("FSMART") because it had the continuous promotion activities throughout the year.

Administrative expenses

Administrative expenses for 2013 were Baht 565 million, increased by Baht 24 million or 4% which mainly resulted from loss of impairment of top-up kiosks and spare parts amounting to Baht 13 million and loss on write-off of top-up kiosk losing amounting to Baht 3 million.

Finance cost

In 2013, the finance cost was Baht 89 million, decreased by Baht 33 million or 27% which resulted from the loan repayment in succession from the project completed during the year as well as the repayment of the long-term loan due under the term of contract.

Financial position

Assets

Unit: Million Baht

	31 December 2013	31 December 2012	Increase (decrease)	% Variance
Current assets	3,394	3,497	(103)	(3)
Non-current assets	1,259	1,121	138	12
Total assets	4,653	4,618	35	1

As at 31 December 2013, the Group's assets was Baht 4,653 million, increased by Baht 35 million due to the decrease of current assets amounting to Baht 103 million and the increase of non-current assets amounting to Baht 138 million.

The decrease of current assets was mainly resulted from the decrease of trade and other receivables and unbilled receivables from the installation of Wireless High Speed Internet of TOT Plc. and the implementation of ERP system of Thai Airways International Plc. were completed and had been billed and collected. Major trade account receivables and unbilled receivables as at 31 December 2013 were consisted of receivables from the installation of CCTV project of Bangkok Metropolitan Authority. For the increasing of non-current assets, it was resulted from the acquisition of property, building and equipment i.e. top-up kiosk.

The quality of assets

Trade account receivables

Trade account receivables excluded related parties as at 31 December 2013 and 2012 were Baht 1,048 million and Baht 1,395 million, respectively. The Group has policy on granting 30-90 days credit term for account receivables which could be categorized by the due date as follows:

Unit: Million Baht

	Consolidated financial statements	
	31 December 2013	31 December 2012
Not yet due	732	643
Over due		
Less than 3 months	103	528
3 - 6 months	28	32
6 - 12 months	34	42
More than 12 months	151	150
Total	1,048	1,395
Less: Allowance for doubtful accounts	(42)	(43)
Trade account receivables - net	1,006	1,352

As at 31 December 2013 and 2012, the Group recorded the allowance of doubtful accounts, amounting to Baht 42 million and Baht 43 million, respectively. The Group's policy on allowance for doubtful accounts is based on past collection history, aging profile of outstanding debts and the prevailing economic condition. The management believed that allowance for doubtful accounts was adequate in the current circumstances.

Inventories

Unit: Million Baht

	Consolidated financial statements	
	31 December 2013	31 December 2012
Raw Materials	257	314
Work in process	77	63
Project in process	45	47
Finished goods	462	452
Goods in transit	2	2
Total	843	878
Reduce cost to net realisable value	(165)	(163)
Inventories - net	678	715

As at 31 December 2013 and 2012, the Group recorded the reduce cost to net realisable value amounting to Baht 165 million and Baht 163 million, respectively. The Group estimated net realisable value of inventories taking into the account fluctuations of price or cost directly related to events occurring after the end of the year and movements of inventories and the prevailing economic condition. The management believed that the reduce cost to net realisable value was adequate in the current circumstances.

The right to derive benefit from smart traffic boards

In 2013, JV Genius reviewed the recoverable amount of the right to derived benefit from smart traffic boards by estimating the future cash flow that was discounted to its present value. A result was that its recoverable amount was higher than its net book value. Therefore, the management believed that the allowance for impairment loss of Baht 26 million in its accounts was adequate in the current circumstances.

Source of fund

Liabilities

Unit: Million Baht

	31 December 2013	31 December 2012	Increase (decrease)	% Variance
Current liabilities	2,702	2,871	(169)	(6)
Non-current liabilities	255	131	124	95
Total liabilities	2,957	3,002	(45)	(1)

As at 31 December 2013, the Group's liabilities were Baht 2,957 million, which decreased by Baht 45 million. It mainly caused by repayment of short-term loan used for the completed project. Besides, the Group had acquired the long-term loan of Baht 445 million for the working capital and asset acquisition. In addition, the Company repaid the long-term loan amounting Baht 235 million.

The Group could repay loan in accordance with the repayment schedule stipulated in the loan agreements. A subsidiary was unable to maintain certain financial ratios as stipulated in the loan agreement. The subsidiary therefore requested the bank to grant it a waiver of its non-compliance with such covenants and received the waiver in February 2014, as discussed in Note 17 to financial statements.

Shareholders' equity

As at 31 December 2013, the Group's shareholders' equity was Baht 1,696 million, which increased by Baht 80 million. The increase was resulted from the net profit in 2013 of Baht 284 million as well as cash receipts from the subsidiary's capital increase from minority shareholders of a subsidiary amounting to Baht 27 million. Meanwhile, the shareholders' equity of the Group decreased Baht 230 million from the dividend payment.

The appropriate of capital structure

The Group's debt to equity ratio as at 31st December 2013 was 1.7:1 which decreased from 2012 at rate of 1.9: 1 as the result of the decrease of short-term liabilities used for the project work.

Liquidity

Cash flows

Unit: Million Baht

	2013	2012
Cash flows from (used in) operating activities	483	1,625
Cash flows from (used in) investing activities	(324)	(277)
Cash flows from (used in) financing activities	(174)	(1,265)

In 2013, the Group's cash flows from operating activities were Baht 483 million which decreased by Baht 1,142 million. It was resulted from the decline of collection of outstanding debts which was completed, as well as the decrease of working capital of EMS business.

Cash flows used in investing activities for 2013 were Baht 324 million. The majority of cash flows used in investing activities were the acquisition of assets i.e. top-up kiosk of its subsidiary and the payment of leasehold right and the decoration of its new head office.

Cash flows used in financing activities for 2013 were Baht 174 million. It was mainly resulted from the repayment of short-term loans from financial institutions of Baht 180 million, the repayment of long-term loans of Baht 235 million and the dividend payment to the shareholders of Baht 230 million, cash receipt from long-term loans of Baht 445 million and proceeds from the minority shareholders of a subsidiary for the increase in the subsidiary's share capital of Baht 27 million.

Liquidity ratios

The ratio of the current assets and current liabilities as at 31 December 2013 was 1.3:1 which was closed to the one of 2012 by 1.2:1. This was the result of the changing rate in current assets to current liabilities related in the same direction and also similar proportion.

The liquidity ratio as at 31 December 2013 equaled to 0.5: 1 which was closed to that of 2012 by 0.6:1. This was the result of the changing rate of liquidity assets, comprising of cash and cash equivalents and trade and other receivables, to current liabilities related in the same direction and also similar proportion.

For auctions of public sector's project that required tender guarantee for each project covering the notional amount, advance payment, retention guarantee of each project. Since the Group had good relationship with financial institutes, it would not have any impact on the liquidity of the Group.

Audit Committee's Report

The Audit Committee, appointed by the Company's Board of Directors, consists of 3 Independent Directors who have performed their duties in compliance with capability under their responsibility and authority assigned in correspondence with the good practices of the Audit Committee. In 2013, the Audit Committee had held 5 meetings with all 3 Audit Committee members attended all the 5 meetings as well as the external auditors, the management and the internal auditors to present the information and suggestions on related agendas and the resolutions of main discussions were:

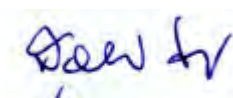
1. To review the quarterly and annual financial report of 2013 before proposing to the Board of Directors to certify and approve in consideration of the accounting standards of the financial report and sufficient disclosure of information.
2. To consider the audit plan, acknowledge the auditing result together with the recommendations of the internal auditors relating to the analysis of the internal audit control system and present them to the Board of Directors to for revision as appropriate including follow up the progress of the improvement of deficiencies in order to ensure the efficient internal audit control considering the risk of all factors.
3. To review for ensuring that the Company complied with good practices for listed the practices of the Company under the promulgation of the Stock Exchange of Thailand including compliance with regulations and laws related to Company's business.
4. To review and propose opinions on connected transactions or transactions with conflict of interests as well as consider ensuring the disclosure of the correct and complete information.
5. To assess the independence of the external auditors and consider the appointment and remuneration of auditors for 2013.
6. To conduct a self-assessment for 2013, the result was satisfied and has already reported to the Board of Directors.

The Audit Committee has expressed their opinion that the quarterly and annual financial statements and financial report were conducted in accordance with Thai Financial Reporting Standards as well as the disclosure of the complete, correct and sufficiently detailed connected transactions. In addition, the Company has provided an internal control system with an efficient auditing mechanism as well as effective balance system. Moreover, the Company has kept a strong hold on the practices regarding to the laws and regulations of the Stock Exchange of Thailand, corporate government, business ethics and related business laws.

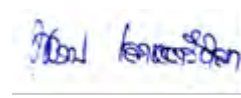
According to the financial statements for the year ending 31 December 2014, the Audit Committee has proposed for appointing Ernst & Young Office Limited to pursue the Company's auditors same as the prior year since the Office is a reputable auditing firm and also is recognized best practice on auditing standards widely accepted. The appointment of the Company's auditor will be proposed to the Annual General Meeting of Shareholders for 2014 which will be held in April 2014 for next approval.



(Mr. Sanit Vorapunya)
Chairman of Audit Committee



(Mr.Sutham Malila)
Audit Committee



(Mr.Nongram Laohaareedilok)
Audit Committee


The Board of Directors' Responsibilities Report to Financial Statements

The Board of Directors has considered the financial statements of Forth Corporation Public Company Limited and its subsidiaries including the financial information disclosed in the annual report and deemed that the financial statements have been prepared in accordance with Thai Financial Reporting Standards, using appropriate accounting policies consistently employed by the Company, as well as applying careful judgments and best estimation. The sufficient and transparent disclosure of important information was provided in the notes to the financial statements for the benefit of the shareholders and general investor.

The Board of Directors has arranged and maintained an efficient internal control system to ensure that accounting records are correct, complete and adequate to protect the Company's assets and uncover weakness to prevent fraud or materially irregular operations.

The Board of Directors has appointed an audit committee comprising of independent directors whose qualification have met requirement of the Stock Exchange of Thailand. They are responsible for the quality of financial statements and internal control system, whose comments on these issues are stated in the Audit Committee Report which has been attached in the annual report.

The Board of Directors opined that the consolidated financial statements of Forth Corporation Public Company Limited and its subsidiaries for the year ended 31 December 2013, which the audit committee have already reviewed with the management and the Company's auditors, presented fairly, in all material respects, the financial position and operating results in accordance with Thai Financial Reporting Standards.



(Mr. Sanit Vorapunya)

Chairman of the Board of Directors



(Mr.Pongchai Amatanont)

Chief of Executive Officer

Independent Auditor's Report

To the Shareholders of Forth Corporation Public Company Limited

I have audited the accompanying consolidated financial statements of Forth Corporation Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Forth Corporation Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forth Corporation Public Company Limited and its subsidiaries and of Forth Corporation Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the changes in the estimated useful lives of machinery, tools and equipment and the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change in accounting policy. The Company has also presented consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of these matters.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok: 20 February 2014

Forth Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Assets						
Current assets						
Cash and cash equivalents	202,432,068	217,518,539	134,617,444	27,270,664	39,345,593	54,496,496
Trade and other receivables	7, 8	1,065,644,770	1,401,418,465	1,426,907,444	706,662,217	1,351,073,309
Short-term loans to related parties	7	16,605,000	15,105,000	6,500,000	16,605,000	254,105,000
Unbilled receivables		1,137,268,744	909,007,768	1,740,353,306	5,423,172	555,353,594
Inventories	9	678,234,374	715,045,671	1,032,937,644	371,109,737	436,378,039
Other current assets		294,064,509	238,924,752	260,805,760	126,965,403	105,125,746
Total current assets		3,394,249,465	3,497,020,195	4,602,121,598	1,254,036,193	2,741,381,281
Non-current assets						
Restricted bank deposits	10	10,194,797	17,322,430	10,923,672	-	-
Investments in subsidiaries	11	-	-	-	310,001,500	309,241,900
Investments in associates	12	49,127,717	46,858,807	22,355,965	61,196,383	65,208,327
Property, plant and equipment	13	985,987,331	837,042,365	769,026,708	461,308,162	422,015,827
Intangible assets	14	15,392,217	41,971,861	69,891,316	10,056,516	10,247,320
Leasehold rights		21,720,222	1,063,102	1,270,832	21,720,222	1,063,102
Deferred tax assets	21	150,640,885	160,911,637	136,263,541	53,591,895	50,672,735
Other non-current assets		26,256,301	15,955,268	20,543,870	19,228,753	8,686,997
Total non-current assets		1,259,319,470	1,121,125,470	1,030,275,904	937,103,431	867,136,208
Total assets		4,653,568,935	4,618,145,665	5,632,397,502	2,191,139,624	3,608,517,489

The accompanying notes are an integral part of the financial statements.

Forth Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions						
15	1,573,671,700	1,753,871,081	2,789,181,535	405,478,714	1,433,871,081	2,049,851,535
7, 16	531,469,982	701,886,917	619,599,963	238,068,913	554,664,290	563,931,822
17	267,414,694	178,820,138	354,115,398	84,883,444	151,678,000	316,888,000
	12,527,215	6,632,342	10,018,339	-	-	-
	316,625,613	230,415,829	188,764,508	43,359,505	47,554,596	25,718,822
Total current liabilities	2,701,709,204	2,871,626,307	3,961,679,743	771,790,576	2,187,767,967	2,956,390,179
Non-current liabilities						
17	240,481,160	119,030,110	95,345,038	154,216,667	100,060,110	74,218,110
18	14,917,547	11,825,724	9,147,433	5,108,139	3,986,570	3,111,509
Total non-current liabilities	255,398,707	130,855,834	104,492,471	159,324,806	104,046,680	77,329,619
Total liabilities	2,957,107,911	3,002,482,141	4,066,172,214	931,115,382	2,291,814,647	3,033,719,798
Shareholders' equity						
Share capital						
Registered						
960,000,000 ordinary shares of Baht 0.5 each						
	480,000,000	480,000,000	480,000,000	480,000,000	480,000,000	480,000,000
Issued and fully paid-up						
960,000,000 ordinary shares of Baht 0.5 each						
	480,000,000	480,000,000	480,000,000	480,000,000	480,000,000	480,000,000
	362,557,877	362,557,877	362,557,877	362,557,877	362,557,877	362,557,877
Retained earnings						
Appropriated - statutory reserve						
19	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000
Unappropriated						
	609,397,713	585,687,279	628,996,732	369,466,365	426,144,965	473,098,330
Retained earnings of subsidiaries arising from the Company swapping shares of subsidiaries at a price lower than net book value of the subsidiaries as at the acquisition date						
	40,891,171	40,891,171	40,891,171	-	-	-
Capital surplus from changes in shareholding in subsidiary						
11.1	11,147,333	11,147,333	-	-	-	-
	1,551,994,094	1,528,283,660	1,560,445,780	1,260,024,242	1,316,702,842	1,363,656,207
	144,466,930	87,379,864	5,779,508	-	-	-
Total shareholders' equity	1,696,461,024	1,615,663,524	1,566,225,288	1,260,024,242	1,316,702,842	1,363,656,207
Total liabilities and shareholders' equity	4,653,568,935	4,618,145,665	5,632,397,502	2,191,139,624	3,608,517,489	4,397,376,005

The accompanying notes are an integral part of the financial statements.

Forth Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2013

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
Note	2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss:				
Revenues				
Sales	2,029,713,849	4,150,506,613	1,529,282,471	3,577,390,914
Services	1,111,960,776	889,599,064	257,714,683	310,231,837
Revenues from project work	1,329,128,048	846,575,384	167,445,846	450,150,943
Other income				
Dividend income	-	-	84,622,632	31,359,520
Gain (loss) on exchange	(4,635,165)	5,247,471	(81,210)	1,988,753
Others	53,898,343	46,571,394	43,712,200	25,792,700
Total revenues	<u>4,520,065,851</u>	<u>5,938,499,926</u>	<u>2,082,696,622</u>	<u>4,396,914,667</u>
Expenses				
Cost of sales	1,600,637,767	3,747,587,895	1,222,583,622	3,307,413,779
Cost of services	744,130,885	615,936,424	171,239,073	179,374,732
Cost of project work	1,088,187,276	733,006,158	190,801,615	414,468,359
Selling expenses	88,574,077	62,432,661	20,168,530	24,460,569
Administrative expenses	565,048,805	541,399,010	258,774,480	273,522,945
Total expenses	<u>4,086,578,810</u>	<u>5,700,362,148</u>	<u>1,863,567,320</u>	<u>4,199,240,384</u>
Profit before share of profit (loss) from investments in associates, finance cost and income tax expense	433,487,041	238,137,778	219,129,302	197,674,283
Share of profit (loss) from investments in associates	12.2 (7,854,878)	7,313,966	-	-
Profit before finance cost and income tax expense	425,632,163	245,451,744	219,129,302	197,674,283
Finance cost	(89,218,336)	(122,372,621)	(48,327,062)	(94,029,758)
Profit before income tax expense	336,413,827	123,079,123	170,802,240	103,644,525
Income tax income (expenses)	21 (51,931,428)	4,634,373	2,919,160	12,602,110
Profit for the year	<u>284,482,399</u>	<u>127,713,496</u>	<u>173,721,400</u>	<u>116,246,635</u>
Other comprehensive income:				
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	<u>284,482,399</u>	<u>127,713,496</u>	<u>173,721,400</u>	<u>116,246,635</u>

The accompanying notes are an integral part of the financial statements.

Forth Corporation Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the year ended 31 December 2013**

	Consolidated financial statements		Separate financial statements	
<u>Note</u>	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
(Unit: Baht)				
Profit attributable to:				
Equity holders of the Company	254,110,434	119,890,907	<u>173,721,400</u>	<u>116,246,635</u>
Non-controlling interests of the subsidiaries	<u>30,371,965</u>	<u>7,822,589</u>		
	<u>284,482,399</u>	<u>127,713,496</u>		
	-	-		
Total comprehensive income attributable to:				
Equity holders of the Company	254,110,434	119,890,907	<u>173,721,400</u>	<u>116,246,635</u>
Non-controlling interests of the subsidiaries	<u>30,371,965</u>	<u>7,822,589</u>		
	<u>284,482,399</u>	<u>127,713,496</u>		
Basic earnings per share				
	23			
Profit attributable to equity holders of the Company	<u>0.26</u>	<u>0.12</u>	<u>0.18</u>	<u>0.12</u>

The accompanying notes are an integral part of the financial statements.

Forth Corporation Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2013

	Consolidated financial statements										(Unit: Baht)
	Equity attributable to owners of the Company										
	Issued and fully paid-up share capital	Share premium	Retained earnings - statutory reserve	Unappropriated Retained earnings	Retained earnings of subsidiaries arising from the Company swapping shares of subsidiaries at a price lower than net book value of the subsidiaries as at the acquisition date	Capital surplus from changes in shareholding in subsidiary	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total Shareholders' equity		
Balance as at 31 December 2011 - as previously reported	480,000,000	362,557,877	48,000,000	496,684,060	40,891,171	-	1,428,133,108	1,828,639	1,429,961,747		
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	132,312,672	-	-	132,312,672	3,950,869	136,263,541		
Balance as at 31 December 2011 - as restated	480,000,000	362,557,877	48,000,000	628,996,732	40,891,171	-	1,560,445,780	5,779,508	1,566,225,288		
Subsidiaries' share capital increase (Note 11.1)	-	-	-	-	-	-	-	84,925,100	84,925,100		
Capital surplus from changes in shareholding in subsidiary (Note 11.1)	-	-	-	-	-	11,147,333	11,147,333	(11,147,333)	-		
Dividend payment (Note 26)	-	-	-	(163,200,360)	-	-	(163,200,360)	-	(163,200,360)		
Total comprehensive income for the year	-	-	-	119,890,907	-	-	119,890,907	7,822,589	127,713,496		
Balance as at 31 December 2012 - as restated	480,000,000	362,557,877	48,000,000	585,687,279	40,891,171	11,147,333	1,528,283,660	87,379,864	1,615,663,524		
Balance as at 31 December 2012 - as previously reported	480,000,000	362,557,877	48,000,000	426,594,454	40,891,171	11,147,333	1,369,190,835	85,561,052	1,454,751,887		
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	159,092,825	-	-	159,092,825	1,818,812	160,911,637		
Balance as at 31 December 2012 - as restated	480,000,000	362,557,877	48,000,000	585,687,279	40,891,171	11,147,333	1,528,283,660	87,379,864	1,615,663,524		
Subsidiaries' share capital increase (Note 11.1)	-	-	-	-	-	-	-	26,715,101	26,715,101		
Dividend payment (Note 26)	-	-	-	(230,400,000)	-	-	(230,400,000)	-	(230,400,000)		
Total comprehensive income for the year	-	-	-	254,110,434	-	-	254,110,434	30,371,965	284,482,399		
Balance as at 31 December 2013	480,000,000	362,557,877	48,000,000	609,397,713	40,891,171	11,147,333	1,551,994,094	144,466,930	1,696,461,024		

The accompanying notes are an integral part of the financial statements.

Forth Corporation Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2013

	Separate financial statements					(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity	
			Appropriated - Statutory reserve	Unappropriated		
Balance as at 31 December 2011 - as previously reported	480,000,000	362,557,877	48,000,000	437,020,715		1,327,578,592
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	36,077,615		36,077,615
Balance as at 31 December 2011 - as restated	480,000,000	362,557,877	48,000,000	473,098,330		1,363,656,207
Dividend payment (Note 26)	-	-	-	(163,200,000)		(163,200,000)
Total comprehensive income for the year	-	-	-	116,246,635		116,246,635
Balance as at 31 December 2012 - as restated	480,000,000	362,557,877	48,000,000	426,144,965		1,316,702,842
Balance as at 31 December 2012 - as previously reported	480,000,000	362,557,877	48,000,000	375,472,230		1,266,030,107
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	50,672,735		50,672,735
Balance as at 31 December 2012 - as restated	480,000,000	362,557,877	48,000,000	426,144,965		1,316,702,842
Dividend payment (Note 26)	-	-	-	(230,400,000)		(230,400,000)
Total comprehensive income for the year	-	-	-	173,721,400		173,721,400
Balance as at 31 December 2013	480,000,000	362,557,877	48,000,000	369,466,365		1,260,024,242

The accompanying notes are an integral part of the financial statements.

Forth Corporation Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2013

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
	(Unit: Baht)			
Cash flows from operating activities				
Profit before tax	336,413,827	123,079,123	170,802,240	103,644,525
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	135,538,006	177,464,671	46,255,998	73,073,204
Amortisation for intangible assets	28,783,079	28,588,279	1,729,399	1,569,466
Amortisation for leasehold rights and others	1,040,624	423,730	824,624	207,730
Write-off of property, plant and equipment	3,309,440	-	-	-
Write-off of obsolete inventories	-	5,536,332	-	5,536,332
Write-off of withholding tax deducted at sources	2,114	334,206	-	-
Doubtful debts (reversal)	2,690,741	2,409,546	(2,106)	(348,839)
Write-off of bad debts	1,380,516	886,158	333,584	-
Decrease of inventories to net realisable value (reversal)	(285,827)	21,201,442	2,233,755	13,620,733
Expected loss from project work	1,935,893	-	-	-
Loss from impairment loss of investment in associate	-	-	18,759,324	-
Loss from impairment of equipment	12,936,538	-	-	-
Unrealised loss on exchange	1,730,346	683,040	1,726,275	682,416
Gain on sales of property, plant and equipment	(6,377,508)	(971,542)	(5,998,543)	(188,223)
Share of loss (profit) from investments in associates	7,854,878	(7,313,966)	-	-
Dividend income	-	-	(84,622,632)	(31,359,520)
Increase in provision for long-term employee benefits	3,091,823	2,678,291	1,121,569	875,061
Interest expenses	77,620,422	112,143,932	42,935,370	87,859,562
Profit from operating activities before changes in operating assets and liabilities	607,664,912	467,143,242	196,098,857	255,172,447
Operating assets (increase) decrease				
Trade and other receivables	332,890,514	30,209,243	645,267,688	311,708,525
Inventories	36,746,391	291,154,198	63,034,546	310,932,108
Unbilled receivables	(228,260,976)	830,405,050	549,930,422	290,925,327
Other current assets	(35,880,413)	36,224,207	6,355,911	41,921,383
Other non-current assets	(10,517,032)	4,372,600	(10,541,757)	4,361,430
Operating liabilities increase (decrease)				
Trade and other payables	(175,771,595)	85,715,734	(320,646,940)	(6,066,394)
Other current liabilities	86,209,784	32,392,284	(4,195,089)	21,835,771
Cash flows from operating activities	613,081,585	1,777,616,558	1,125,303,638	1,230,790,597
Cash paid for interest expenses	(75,426,109)	(113,814,425)	(42,040,082)	(89,368,063)
Cash paid for corporate income tax	(67,571,976)	(63,879,775)	(27,953,641)	(27,640,344)
Cash receipts from withholding tax deducted at sources	12,786,641	25,544,883	-	19,442,752
Net cash flows from operating activities	482,870,141	1,625,467,241	1,055,309,915	1,133,224,942

The accompanying notes are an integral part of the financial statements.

Forth Corporation Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the year ended 31 December 2013**

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	7,127,634	(6,398,758)	-	-
Proceeds from sales of property, plant and equipment	9,311,719	1,560,120	8,736,267	533,282
Acquisition of property, plant and equipment	(305,248,321)	(246,068,906)	(88,286,056)	(61,198,777)
Acquisition of computer software	(2,203,436)	(668,824)	(1,538,596)	(617,760)
Acquisition of leasehold rights	(21,481,743)	-	(21,481,743)	-
Cash receipts from dividend of subsidiaries and associates	4,623,592	1,359,880	84,622,632	31,359,520
Increase in short-term loans to related parties	(2,000,000)	(10,105,000)	(49,900,000)	(362,455,000)
Cash receipts from short-term loans to related parties	500,000	1,500,000	287,400,000	359,950,000
Increase in investments in subsidiaries	-	-	(759,600)	(177,349,900)
Increase in investments in associates	(14,747,381)	(18,548,756)	(14,747,381)	(18,548,756)
Net cash flows from (used in) investing activities	<u>(324,117,936)</u>	<u>(277,370,244)</u>	<u>204,045,523</u>	<u>(228,327,391)</u>
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	(180,199,382)	(1,035,310,454)	(1,028,392,367)	(615,980,454)
Cash receipts from long-term loans	445,000,000	52,000,000	150,000,000	22,000,000
Repayments of long-term loans	(234,954,395)	(203,610,188)	(162,638,000)	(161,368,000)
Dividend paid	(230,400,000)	(163,200,360)	(230,400,000)	(163,200,000)
Proceeds from non-controlling interests of the subsidiaries for increase in the subsidiaries' share capital	26,715,101	86,425,100	-	-
Acquisition of non-controlling interests of the subsidiaries	-	(1,500,000)	-	(1,500,000)
Net cash flows used in financing activities	<u>(173,838,676)</u>	<u>(1,265,195,902)</u>	<u>(1,271,430,367)</u>	<u>(920,048,454)</u>
Net increase (decrease) in cash and cash equivalents	(15,086,471)	82,901,095	(12,074,929)	(15,150,903)
Cash and cash equivalents at beginning of year	217,518,539	134,617,444	39,345,593	54,496,496
Cash and cash equivalents at end of year	<u>202,432,068</u>	<u>217,518,539</u>	<u>27,270,664</u>	<u>39,345,593</u>

The accompanying notes are an integral part of the financial statements.

Forth Corporation Public Company Limited and its subsidiaries**Notes to consolidated financial statements****For the year ended 31 December 2013****1. Corporate information**

Forth Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of telecommunication equipment, electronic equipment, assembly electronic parts and project work relating to design and install telecommunication equipment. The registered office of the Company is at 1053/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok. The factory of the Company is at 77 Moo 11, Phuttamonton 5 Road, Raikhing, Sampran, Nakompratom.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Forth Corporation Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholdings		Paid-up capital	
			2013 %	2012 %	2013 (Thousand Baht)	2012
Electronics Source Co., Ltd.	Trading of electronic parts	Thailand	100	100	50,000	50,000
Genius Traffic System Co., Ltd.	Sale and installation of light boards and traffic systems	Thailand	100	100	50,000	50,000
Joint Venture Genius	Concession for traffic board project	Thailand	100*	100*	71,050	71,050
Forth Smart Service Plc.	Payment service via automatic teller machines	Thailand	61	61	300,000	300,000
Forth Consulting Co., Ltd.	Consulting service for information management and computer software management	Thailand	70	70	10,000	10,000
Forth Alliance Co., Ltd.	Providing design and installation services in respect of information technology and telecommunication systems, and the distribution of communication equipments and computer systems	Thailand	51	-	1,000	-
Forth Lighting Co., Ltd.	Manufacture and distribution of lamps and lighting equipment	Thailand	100	-	250	-

* 20% held by the Company and 80% held by Genius Traffic System Co., Ltd.

- b) Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- f) The excess of book value of net assets, acquired in subsidiaries under common control, over the price at which they were exchanged is presented in shareholders' equity in the consolidated statement of financial position under the caption "Retained earnings of subsidiaries arising from the Company swapping shares of subsidiaries at a price lower than net book value of the subsidiaries as at the acquisition date".

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

	<u>Effective date</u>	
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014

		<u>Effective date</u>
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied, except for the following financial reporting standard interpretations.

TFRIC 4 Determining whether an Arrangement contains a Lease

This TFRIC requires an entity to determine whether an arrangement is, or contains, a lease, based on the substance of the arrangement. If an arrangement is, or contains, a lease, the payments for the lease should be separated from payments for any other elements in the arrangement. At present, the management is still evaluating the impact to the financial statement in the year when this Financial Reporting Standard Interpretations is adopted.

4. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard and the effect of the change in accounting estimates

4.1 Change in accounting policies

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Statements of financial position						
Increase in deferred tax assets	150,641	160,912	136,264	53,592	50,673	36,078
Increase in non-controlling interests of the subsidiaries	814	1,819	3,951	-	-	-
Increase in unappropriated retained earnings	149,827	159,093	132,313	53,592	50,673	36,078

(Unit: Thousand Baht)

	For the years ended 31 December				
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
Statements of comprehensive income					
Profit or loss:					
Increase (decrease) in income tax		10,271	(24,648)	(2,919)	(14,595)
Decrease in profit attributable to non-controlling interest of the subsidiaries		(1,005)	(2,132)	-	-
Increase (decrease) in profit attributable to equity holders of the Company		(9,266)	26,780	2,919	14,595
Increase (decrease) in basic earnings per share (Baht)		(0.010)	0.028	0.003	0.015

4.2 Change in accounting estimates

On 1 January 2013, the Company and its subsidiary changed their accounting estimates with respect to the useful lives of machinery, tool and equipment from 5 years to 8 years and 10 years. The management of the Company and its subsidiary believe that the new useful lives of assets are more appropriate since they are consistent with their expected utility to the Company and its subsidiary.

The Company and its subsidiary applied the changes in estimates prospectively.

The effect of the changes to the statements of financial position as at 31 December 2013 and the statements of comprehensive income for the year ended 31 December 2013 are summarised below.

	(Unit: Thousand Baht)	
	For the year ended 31 December 2013	
	Consolidated financial statements	Separate financial statements
Statement of financial position		
Increase in property, plant and equipment	59,558	12,237
Statement of comprehensive income		
Profit or loss:		
Decrease in depreciation	59,558	12,237
Increase in profit attributable to non-controlling interest of the subsidiary	18,455	-
Increase in profit attributable to equity holders of the Company	41,103	12,237
Increase in basic earnings per share (Baht)	0.043	0.013

5. Significant accounting policies

5.1 Revenues recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

A subsidiary recognised fee income from rendering of top-up service for prepaid phone and other online services when services have been rendered and customers have already paid through online top-up machines, at net amount which is fee income of the subsidiary, excluding cost of telephone and other online services which is cost of telephone network operators and online service providers. Fee income from rendering of services through online top-up machines is recognised when services have been rendered and customers have already paid service fees through online top-up machines.

Revenues from project work

Revenues from project work are recognised on a percentage of completion basis. The percentage of completion is measured using the proportion of costs incurred to date to the total estimated costs to complete the work. Recognised revenues which are not yet due per the contracts have been presented under the caption of "Unbilled receivables" in the statements of financial position.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cost of project work

Costs of project work are recognised in accordance with the percentage of work completed based on total estimated costs. Provision for anticipated losses on project is made in the accounts in full when the possibility of loss is ascertained.

5.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.4 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.5 Inventories

Finished goods and work in process are valued at the lower of cost (first-in, first-out method) and net realisable value. Cost includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

5.6 Investments

- a) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method less allowance for impairment (if any).

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.7 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation. Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	20 years
Building	20 years
Machinery	5,10 years
Motor vehicles	5,10 years
Others	3,5,8 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Intangible assets and amortisation

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives are as follows:

Right to derive benefit from smart traffic boards	9 years
Computer software	10 years

5.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associates and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

5.10 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in liabilities, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

5.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the previously recognised impairment loss is reversed and recognised in profit or loss.

5.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

5.14 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Net realisable value of inventories

The management uses judgement to estimate net realisable value of inventories taking into account fluctuations of price or cost directly related to events occurring after the end of the reporting period and movements of inventories and the prevailing economic condition.

Property, plant and equipment / Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

In determining impairment testing of intangible assets, the management is required to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Estimated cost of project work / Provision for loss on project work

In determining estimated cost of project work, the management is required to make judgment regarding estimate cost and related expenses to be incurred to complete the project, and to review the estimated cost on a regular basis and when it is determined that actual costs materially differ from the estimates.

In addition, the management is required to apply judgment in estimating loss it expects to be realised on project work based on estimated cost of the project. This estimate takes into account project progress, actual cost and the current circumstances.

Post-employment benefits under defined benefit plans.

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	Transfer pricing policy	For the years ended 31 December			
		Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2013	2012	2013	2012
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Purchases of raw materials	Compared to market price	-	-	106	84
Sales of goods	Compared to market price	-	-	326	278
Service income	Agreed price	-	-	2	7
Other income	Agreed price	-	-	4	2
Interest income	Interest at 4.00 - 5.50% per annum	-	-	6	11
Rental income	Agreed price	-	-	3	3
Selling and administrative expenses	Agreed price	-	-	2	3
Service expenses	Agreed price	-	-	8	66

(Unit: Million Baht)

Transfer pricing policy		For the years ended 31 December			
		Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
<u>Transactions with associates</u>					
Purchases of raw materials	Compared to market price	9	-	9	-
Sales of goods	Compared to market price	18	43	16	42
Other income	Agreed price	2	2	1	1
Interest income	Interest at 5.00% per annum	1	-	1	-
Rental income	Agreed price	1	1	1	1
Selling and administrative expenses	Agreed price	1	1	-	-
<u>Transactions with directors and related individuals</u>					
Rental expenses	Agreed price	1	1	1	1

The balances of the accounts as at 31 December 2013 and 2012 between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	276,638	434,166
Associates	11,489	17,480	11,872	17,288
Total	11,489	17,480	288,510	451,454
<u>Trade and other payables - related parties (Note 16)</u>				
Subsidiaries	-	-	67,759	64,207
Associates	11,036	620	10,725	279
Directors	1,770	1,038	810	558
Total	12,806	1,658	79,294	65,044

Short-term loans to related parties

As at 31 December 2013 and 2012, the balance of short-term loans to related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance	Increase	Decrease	Balance
		as at	during the year	during the year	as at
Relationship		31 December 2012			31 December 2013
Genius Electronic Meter Co., Ltd.	Associate	15,105	2,000	(500)	16,605
		15,105	2,000	(500)	16,605

(Unit: Thousand Baht)

		Separate financial statements			
		Balance	Increase	Decrease	Balance
		as at	during the year	during the year	as at
Relationship		31 December 2012			31 December 2013
Forth Smart Service Plc.	Subsidiary	221,000	40,000	(261,000)	-
Joint Venture Genius	Subsidiary	18,000	2,000	(20,000)	-
Forth Consulting Co., Ltd.	Subsidiary	-	5,900	(5,900)	-
Genius Electronic Meter Co., Ltd.	Associate	15,105	2,000	(500)	16,605
		254,105	49,900	(287,400)	16,605

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
Short-term employee benefits	52,376	45,195	31,832	29,006
Post-employment benefits	239	239	239	239
Total	52,615	45,434	32,701	29,245

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Notes 17 and 27.2 to the financial statements.

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade accounts receivable - related parties</u>				
Age on the basis of due dates				
Not yet due	1,597	1,478	76,088	41,321
Past due				
Up to 3 months	8	409	18,407	66,858
3 - 6 months	3	9,297	9,005	92,669
6 - 12 months	708	768	39,486	46,406
Over 12 months	5,346	4,163	138,759	200,464
Total trade accounts receivable - related parties	<u>7,662</u>	<u>16,115</u>	<u>281,745</u>	<u>447,718</u>
<u>Trade accounts receivable - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	732,333	643,271	247,019	341,955
Past due				
Up to 3 months	102,689	527,658	31,929	453,581
3 - 6 months	27,718	31,629	22,324	16,620
6 - 12 months	34,467	42,821	32,639	24,668
Over 12 months	150,847	149,577	84,783	72,346
Total	<u>1,048,054</u>	<u>1,394,956</u>	<u>418,694</u>	<u>909,170</u>
Less: Allowance for doubtful debts	<u>(42,053)</u>	<u>(42,562)</u>	<u>(11,069)</u>	<u>(11,071)</u>
Total trade accounts receivable - unrelated parties, net	<u>1,006,001</u>	<u>1,352,394</u>	<u>407,625</u>	<u>898,099</u>
Total trade accounts receivable - net	<u>1,013,663</u>	<u>1,368,509</u>	<u>689,370</u>	<u>1,345,817</u>
<u>Other receivables</u>				
Accrued income	46,246	30,385	9,552	1,082
Less: Allowance for doubtful debts	<u>(4,000)</u>	<u>(800)</u>	<u>-</u>	<u>-</u>
Accrued income - net	<u>42,246</u>	<u>29,585</u>	<u>9,552</u>	<u>1,082</u>
Advances to unrelated parties	24,337	24,535	24,337	24,535
Less: Allowance for doubtful debts	<u>(24,096)</u>	<u>(24,096)</u>	<u>(24,096)</u>	<u>(24,096)</u>
Advances to unrelated parties - net	<u>241</u>	<u>439</u>	<u>241</u>	<u>439</u>
Other receivables - unrelated parties	7,888	3,740	2,955	2,220
Less: Allowance for doubtful debts	<u>(2,220)</u>	<u>(2,220)</u>	<u>(2,220)</u>	<u>(2,220)</u>
Other receivables unrelated parties - net	<u>5,668</u>	<u>1,520</u>	<u>735</u>	<u>-</u>
Advances to related parties	-	97	-	140
Other receivables - related parties	3,072	1,169	5,993	2,600
Interest receivables from related parties	755	99	772	996
Total other receivables - net	<u>51,982</u>	<u>32,909</u>	<u>17,293</u>	<u>5,257</u>
Total trade and other receivables - net	<u>1,065,645</u>	<u>1,401,418</u>	<u>706,663</u>	<u>1,351,074</u>

As at 31 December 2013, the balances of trade accounts receivable in the consolidated financial statements included an account receivable of Baht 31 million (2012: Baht 42 million) from Bangkok Trivision Company Limited. This balance has been outstanding in the subsidiary's book of account for a considerable period of time. The subsidiary has entered into an agreement with such company, whereby it will make monthly repayments to the subsidiary. The subsidiary determined the net realisable value of this account receivable based on the estimated future cash flows, as stipulated in the agreement, discounted them to the present value and recorded an allowance for doubtful debts of Baht 7 million (2012: Baht 17 million) in its accounts.

The management of the Company and its subsidiaries believe that allowance for doubtful debts in the financial statements is adequate in the current circumstances.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Raw materials	257,014	314,591	(62,774)	(64,472)	194,240	250,119
Work in process	76,738	63,428	(11,651)	(18,990)	65,087	44,438
Finished goods	462,294	452,111	(88,818)	(80,066)	373,476	372,045
Goods in transit	2,010	1,910	-	-	2,010	1,910
Project in progress	45,357	46,533	(1,936)	-	43,421	46,533
Total inventories	843,413	878,573	(165,179)	(163,528)	678,234	715,045

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Raw materials	211,730	285,813	(52,682)	(57,524)	159,048	228,289
Work in process	43,734	35,012	(4,050)	(1,982)	39,684	33,030
Finished goods	166,425	164,186	(33,672)	(28,664)	132,753	135,522
Goods in transit	1,529	265	-	-	1,529	265
Project in progress	38,096	39,272	-	-	38,096	39,272
Total inventories	461,514	524,548	(90,404)	(88,170)	371,110	436,378

10. Restricted bank deposits

These represent the subsidiaries' fixed deposits pledged with the banks to secure credit facilities.

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Cost		Dividend received during the years	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Electronics Source Co., Ltd.	54,976	54,976	80,000	30,000
Genius Traffic System Co., Ltd.	50,056	50,056	-	-
Joint Venture Genius	14,210	14,210	-	-
Forth Smart Service Plc.	183,000	183,000	-	-
Forth Consulting Co., Ltd.	7,000	7,000	-	-
Forth Alliance Co., Ltd	510	-	-	-
Forth Lighting Co., Ltd.	250	-	-	-
Total investments in subsidiaries	310,002	309,242	80,000	30,000

- 11.1 On 22 May 2012, the Extraordinary General Meeting No.1/2012 of the shareholders of Forth Smart Service Company Limited, one of the subsidiaries, approved an increase in its registered capital of Baht 15 million (150,000 ordinary shares with a par value of Baht 100 each) to Baht 300 million (3,000,000 ordinary shares with a par value of Baht 100 each), through the issuance of 2,850,000 new ordinary shares with a par value of Baht 100 each, amounting to Baht 285 million. This subsidiary registered the capital increase with the Commerce Ministry on 29 June 2012 and called up 100% of the value of the additional shares.

One of the shareholders of Forth Smart Service Company Limited wished to sell all of his shares and to waive his rights to subscribe to the newly issued shares of the subsidiary. The Company therefore purchased 15,000 ordinary shares with a price of Baht 100 each, amounting to Baht 1.5 million, from the shareholder and also acquired the rights to subscribe to 285,000 newly issued shares that he surrendered. In addition, the Company exercised its own right to subscribe to 1,453,500 newly issued shares. As a result, the Company held a total of 1,830,000 shares with its shareholding in this subsidiary increasing from 51% to 61%. The Company recognised the differences of Baht 11 million between the cost and book value of its interest in this subsidiary under the caption of "Capital surplus from changes in shareholding in subsidiary" in shareholders' equity.

On 1 October 2013, the Extraordinary General Meeting of Forth Smart Service Company Limited, passed the following resolutions.

- a) Approved the change of the par value of its ordinary shares from 3,000,000 shares at Baht 100 each to 600,000,000 shares of Baht 0.5 each.

- b) Approved the increase of registered share capital from Baht 300 million to Baht 400 million through the issuance of 200,000,000 new ordinary shares with a par value of Baht 0.5 each, to be offered to the existing shareholders of the Company and through an initial public offering, as follows:
 - 1) 104,000,000 new ordinary shares to be offered to the public.
 - 2) Not over 96,000,000 new ordinary shares to be offered to the Company's shareholders.
- c) Approve the change of its status from a company limited to a public company limited.

The subsidiary registered the significant matters described in a) to c) with the Ministry of Commerce on 10 October 2013.

- 11.2 Forth Alliance Company Limited is a company incorporated in Thailand on 3 June 2013 with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) and paid-up share capital of Baht 1 million. The subsidiary is principally engaged in providing design and installation services in respect of information technology and telecommunication systems, and the distribution of communication equipments and computer systems. The Company holds 51% of that company's registered share capital.
- 11.3 Forth Lighting Company Limited is a company incorporated in Thailand on 15 November 2013 with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) and paid-up share capital of Baht 0.25 million. The subsidiary is principally engaged in the manufacture and distribution of lamps and lighting equipment. The Company holds 100% of that company's registered share capital.

12. Investments in associates

12.1 Details of associates:

Company's name (Nature of business)	Country of incorporation	Shareholding percentage		Separate financial statements									
		2013 (%)	2012 (%)	Consolidated financial statements			Separate financial statements						
		2013 (%)	2012 (%)	Cost	Carrying amounts based on equity method	Cost	Allowance for impairment of investments	Carrying amounts based on cost method - net					
Genius Electronic Meter Co., Ltd. (Distribution of electronic meter)	Thailand	45	45	18,000	-	18,000	18,000	18,000	(18,000)	(6,741)	-	11,259	
Mindmap Commtech Inc. (Payment service via automatic teller machines)	Philippines	40	40	43,348	19,157	43,348	8,207	28,601	-	-	-	43,348	28,601
FPT Payment Technology JSC (Payment service via automatic teller machines)	Vietnam	30	30	18,549	11,048	18,549	17,492	18,549	(7,500)	-	-	11,049	18,549
Forth Tracking System Co., Ltd. (Distribution of vehicle tracking equipment)	Thailand	34	34	6,799	18,923	6,799	17,669	6,799	-	-	-	6,799	6,799
Total				86,696	71,949	86,696	46,858	71,949	(25,500)	(6,741)	-	61,196	65,208

(Unit: Thousand Baht)

12.2 Share of profit/loss and dividend received

During the years, the Company has recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit (loss) from investments in associates during the years		Dividend received during the years	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Genius Electronic Meter Co., Ltd.	(3,489)	3,489	-	-
Mindmap Commtech Inc.	(3,798)	(2,451)	-	-
FPT Payment Technology JSC	(6,444)	(1,056)	-	-
Forth Tracking System Co., Ltd.	5,876	7,332	4,624	1,360
Total	<u>(7,855)</u>	<u>7,314</u>	<u>4,624</u>	<u>1,360</u>

12.3 Summarised financial information of associates

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		(Unit: Million Baht) Profit (loss)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Genius Electronic Meter Co., Ltd.	40	40	28	49	27	41	33	59	(5)	2
Mindmap Commtech Inc.	150 (Million Pesos)	100.8 (Million Pesos)	103	97	40	52	217	143	(8)	(15)
FPT Payment Technology JSC	42,000 (Million Vietnamese Dong)	42,000 (Million Vietnamese Dong)	40	40	1	1	7	7	(9)	(9)
Forth Tracking System Co., Ltd.	20	20	88	75	30	24	92	81	21	20

- a) Share of loss from investments in Mindmap Commtech Inc. and FPT Payment Technology JSC the amount of Baht 4 million (2012: Baht 2 million) and Baht 6 million (2012: Baht 1 million), respectively, were calculated based on the financial statements, which were prepared by the management of that companies and not reviewed by their auditors. However, the Company's management believed that the financial statements would not be materially different if they were reviewed by the auditors of the associates.
- b) On 26 April 2013, a meeting of the Board of Directors of FPT Payment Technology JSC approved the dissolution of that company, and the Company signed a Joint Venture Termination Agreement to cancel the Joint Venture and Shareholders Agreement, which terminated its investment in the Joint Venture. In addition, the Company signed an Agreement for the Sales and Purchase of Online Service Kiosk, to buy online service kiosks from that company. On 13 May 2013, the Company's Board of Directors passed a resolution to ratify the dissolution of the associate. The management of the Company believes that the dissolution of the associate has no significant impact on the operations of the Company. The Company recorded an impairment loss of Baht 7.5 million in the financial statements in respect of the investment.
- c) During September 2013, Mindmap Commtech Inc., which has a registered share capital of PHP 150 million, or Baht 105 million (150,000 ordinary shares with a par value of PHP 1,000), increased the called up portion of its share value from 67% to 100% (PHP 20 million, or Baht 15 million).
- d) During 2013, the Company recorded an impairment loss from investment in Genius Electronic Meter Company Limited of Baht 11 million.

13. Property, plant and equipment

	Consolidated financial statements										(Unit: Thousand Baht)	
	Land	Land improvement	Building	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total			
Cost												
As at 1 January 2012	209,502	-	239,497	618,505	478,341	125,651	91,532	6,317	1,769,345			
Additions	-	-	911	58,453	27,387	18,718	21,150	119,449	246,068			
Disposals	-	-	-	(4,798)	(1,739)	(3,697)	(5,739)	-	(15,973)			
Transferred in/ (Transferred out)	-	516	2,240	-	119,998	-	-	(122,754)	-			
As at 31 December 2012	209,502	516	242,648	672,160	623,987	140,672	106,943	3,012	1,999,440			
Additions	-	-	1,668	11,528	157,844	17,239	7,950	109,019	305,248			
Disposals/written-off	-	-	(4,291)	(34,362)	(17,332)	(4,572)	(885)	(252)	(61,694)			
Transferred in/ (Transferred out)	-	-	8,047	-	39,685	14,273	-	(62,005)	-			
As at 31 December 2013	209,502	516	248,072	649,326	804,184	167,612	114,008	49,774	2,242,994			
Accumulated depreciation												
As at 1 January 2012	-	-	119,726	559,348	178,556	73,718	68,970	-	1,000,318			
Depreciation for the year	-	11	15,960	36,391	97,413	18,509	9,181	-	177,465			
Depreciation on disposals	-	-	-	(4,798)	(1,631)	(3,399)	(5,557)	-	(15,385)			
As at 31 December 2012	-	11	135,686	590,941	274,338	88,828	72,594	-	1,162,398			
Depreciation for the year	-	26	12,370	15,264	78,458	19,292	10,128	-	135,538			
Depreciation on disposals	-	-	(3,745)	(32,503)	(13,995)	(2,737)	(886)	-	(53,866)			
As at 31 December 2013	-	37	144,311	573,702	338,801	105,383	81,836	-	1,244,070			

As at 31 December 2013, certain equipment items of the Company and its subsidiaries had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 764 million (2012: Baht 696 million) (the Company only: Baht 674 million (2012: Baht 629 million)).

A subsidiary has mortgaged its land, with a total net book value as at 31 December 2013 of approximately Baht 15 million (2012: Baht 15 million), with bank to secure its long-term loan.

As at 31 December 2013, the Company and its subsidiaries had motor vehicles and equipment under finance lease agreements with net book value amounting to Baht 6 million (2012: Baht 9 million) (the Company only: Baht 5 million (2012: Baht 7 million)).

14. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated financial statements			Separate financial statements
	Right to derive benefit from smart traffic boards	Computer software	Total	Computer software
Cost				
As at 1 January 2012	234,865	19,085	253,950	15,388
Additions	-	669	669	618
As at 31 December 2012	234,865	19,754	254,619	16,006
Additions	-	2,203	2,203	1,539
As at 31 December 2013	234,865	21,957	256,822	17,545
Amortisation				
As at 1 January 2012	152,985	4,689	157,674	4,189
Amortisation during the year	26,555	2,033	28,588	1,570
As at 31 December 2012	179,540	6,722	186,262	5,759
Amortisation during the year	26,555	2,228	28,783	1,729
As at 31 December 2013	206,095	8,950	215,045	7,488
Allowance for impairment loss				
As at 1 January 2012	26,385	-	26,385	-
Increase during the year	-	-	-	-
As at 31 December 2012	26,385	-	26,385	-
Increase during the year	-	-	-	-
As at 31 December 2013	26,385	-	26,385	-
Net book value				
As at 31 December 2012	28,940	13,032	41,972	10,247
As at 31 December 2013	2,385	13,007	15,392	10,057

Joint Venture Genius (“the joint venture”) has received the right to derive benefit from the smart traffic boards from Bangkok Metropolitan Authority (BMA) for a period of 3 years, during which time the joint venture is to pay remuneration of approximately Baht 5 million per annum to the BMA. The agreement also stipulates that if the joint venture is able to comply with all terms and conditions of the agreement, the BMA will consider granting an option to extend the agreement twice, for a period of 3 years each time, and that increases in the annual remuneration will be decided based on the terms stipulated in the agreement.

The joint venture has set aside allowance for impairment loss on the right based on the recoverable amount of the right, determined by discounting estimated future cash flows of the right to their present value. In 2013, the joint venture reviewed the allowance for impairment, and management of the joint venture believes that the allowance for impairment loss of Baht 26 million recorded in the accounts is adequate in the current circumstances.

15. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated		Separate	
		financial statements		financial statements	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Bank overdrafts	MOR	-	12,565	-	12,565
Short-term loans from financial institutions	3.00 - 3.64, MMR, refer to MLR	1,508,193	1,667,000	395,000	1,347,000
Trust receipts	MMR, refer to MLR	65,479	74,306	10,479	74,306
Total		1,573,672	1,753,871	405,479	1,433,871

Bank overdrafts and credit facilities of the Company and its subsidiaries are secured by transfers of most of collection rights for their project work. In addition, the Company guaranteed the facilities of the subsidiaries as described in Note 27.2 to the financial statements.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade payables - related parties	9,721	620	76,959	51,868
Trade payables - unrelated parties	423,542	625,383	124,259	465,514
Other payables - related parties	1,315	-	1,315	-
Accrued expenses - unrelated parties	95,122	74,846	34,516	24,106
Accrued expenses - related parties	-	-	210	12,618
Accrued expenses - directors	1,770	1,038	810	558
Total trade and other payables	531,470	701,887	238,069	554,664

17. Long-term loans

Loan	Borrower	Lender	Loan Facility (Million Baht)	Interest rate	Repayment schedule	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
						2013	2012	2013	2012
(1)	The Company	Local bank	49	Rates ranging from 4.50% to MLR per annum	108 monthly installments (ending in 2014)	2,850	8,298	2,850	8,298
(2)	The Company	Local bank	30	MLR - 1.00% per annum	60 monthly installments (ending in 2013)	-	500	-	500
(3)	The Company	Local bank	150	First year: MLR - 1.25% per annum Second to third years: MLR - 1.00% per annum	12 quarterly installments (ending in 2013)	-	37,500	-	37,500
(4)	The Company	Local bank	150	First year: MLR - 1.25% per annum Second to third years: MLR - 1.00% per annum	12 quarterly installments (ending in 2014)	67,000	100,200	67,000	100,200
(5)	The Company	Local bank	200	MLR - 0.75% per annum	36 monthly installments (ending in 2014)	-	83,240	-	83,240
(6)	The Company	Local bank	160	First year: MLR - 1.25% per annum Second to fourth years: MLR - 1.00% per annum	16 quarterly installments (ending in 2017)	19,250	22,000	19,250	22,000
(7)	The Company	Local bank	100	First year: MLR - 2.25% per annum Second year: MLR - 1.25% per annum Third year: MLR - 1.00% per annum	12 quarterly installments (ending in 2016)	100,000	-	100,000	-
(8)	The Company	Local bank	50	First year: MLR - 2.25% per annum Second year: MLR - 1.25% per annum Third year: MLR - 1.00% per annum	20 quarterly installments (ending in 2018)	50,000	-	50,000	-

Loan	Borrower	Lender	Loan Facility		Interest rate	Repayment schedule	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			(Million Baht)				2013	2012	2013	2012
(9)	Electronics Source Co., Ltd.	Local bank	12	MLR - 1.00% per annum	60 monthly installments (ending in 2015)	4,000	6,400	-	-	
(10)	Electronics Source Co., Ltd.	Local bank	30	3.00% per annum	36 monthly installments (ending in 2015)	14,970	24,990	-	-	
(11)	Forth Smarth Service Plc.	Local bank	85	MLR - 0.75% per annum	30 monthly installments (ending in 2013)	-	14,722	-	-	
(12)	Forth Smarth Service Plc.	Local bank	150	First year: MLR - 1.0% per annum Second to third years: MLR - 0.5% per annum	48 monthly installments (ending in 2017)	121,830	-	-	-	
(13)	Forth Smarth Service Plc.	Local bank	80	Fourth year: MLR MLR - 1.5% per annum	36 monthly installments (ending in 2016)	62,996	-	-	-	
(14)	Forth Smarth Service Plc.	Local bank	120	MLR - 1.0% per annum	36 monthly installments (ending in 2016)	65,000	-	-	-	
	Total					507,896	297,850	239,100	251,738	
	Less: Current portion of long-term loans					(267,415)	(178,820)	(84,863)	(151,678)	
	Long-term loans - net of current portion					240,481	119,030	154,217	100,060	

According to the conditions stipulated in the loan agreements, the Company agrees not to mortgage or otherwise encumber its assets with any other parties throughout the loan period. In addition, the Company has to comply with certain covenants, pertaining to matters such as maintaining certain financial ratios.

The loan no. (9) of its subsidiary is secured by the mortgage of the subsidiary's land described in Note 13 to the financial statements.

The loan no. (10) of its subsidiary is secured by the Company.

The loan no. (11) (12) (13) and (14) of its subsidiary is secured by the Company, the subsidiary's shareholders and a fixed deposit account, as described in Note 10 to the financial statements. The subsidiary has to comply with certain conditions stipulated in the loan agreement pertaining to matters such as restriction on dividend payment, loan repayment to the Company, creation of liabilities, and changes in the holdings of the major shareholders.

As at 31 December 2013, the subsidiary was unable to maintain certain financial ratio as stipulated in loan agreement no. (12). The subsidiary requested that the bank grant it a waiver of its non-compliance with such covenants and it received the waiver in February 2014. Since the waiver notice was received after the end of the reporting period, to comply with Thai Financial Reporting Standards, the subsidiary reclassified the loan as current liabilities as at 31 December 2013.

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Provision for long-term employee benefits at beginning				
of year	11,826	9,147	3,987	3,112
Current service cost	2,591	2,466	949	741
Interest cost	501	396	172	134
Benefits paid during the year	-	(183)	-	-
Provision for long-term employee benefits at end of				
year	<u>14,918</u>	<u>11,826</u>	<u>5,108</u>	<u>3,987</u>

Long-term employee benefit expense included in the profit or loss was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current service cost	2,591	2,466	949	741
Interest cost	501	396	172	134
Total expense recognised in selling and administrative expenses in profit or loss	<u>3,092</u>	<u>2,862</u>	<u>1,121</u>	<u>875</u>

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.4 - 3.7	3.4 - 3.7	3.5	3.5
Future salary increase rate	5.0	5.0	5.0	5.0
Staff turnover rate (depending on age of employee)	0.0 - 40.0	0.0 - 40.0	7.0 - 40.0	7.0 - 40.0

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

20. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salaries and wages and other employee benefits	490,330	508,041	268,527	295,822
Depreciation	135,538	177,465	46,256	73,073
Amortisation	29,824	29,041	2,554	1,777
Raw materials and consumables used	1,782,241	3,395,824	1,165,492	3,137,391
Changes in finished goods and work in progress	(22,317)	127,744	(9,785)	145,678

21. Income tax

Income tax expenses (income) for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Current income tax:				
Current income tax charge	41,655	17,946	-	-
Adjustment in respect of current income tax of previous year	5	2,068	-	1,993
Deferred tax:				
Relating to origination and reversal of temporary differences	10,271	(27,656)	(2,919)	(16,783)
Effects of changes in the applicable tax rates	-	3,008	-	2,188
Income tax expenses (income) reported in the statement of comprehensive income	<u>51,931</u>	<u>(4,634)</u>	<u>(2,919)</u>	<u>(12,602)</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Accounting profit before tax	<u>336,414</u>	<u>123,079</u>	<u>170,802</u>	<u>103,645</u>
Applicable tax rate (%)	20	23	20	23
Accounting profit before tax multiplied by applicable tax rate	67,283	28,308	34,160	23,838
Adjustment in respect of current income tax of previous year	5	2,068	-	1,993
Effects of changes in the applicable tax rates	-	3,008	-	2,188
Effects of:				
Promotional privileges (Note 22)	(29,249)	(40,690)	(28,773)	(36,303)
Non-deductible expenses	7,466	4,842	5,189	2,507
Tax-exempted revenue	-	-	(16,925)	(7,213)
Unused tax losses of current year	5,567	-	3,430	-
Others	859	(2,170)	-	388
Total	<u>(15,357)</u>	<u>(38,018)</u>	<u>(37,079)</u>	<u>(40,621)</u>
Income tax expenses (income) reported in the statement of comprehensive income	<u>51,931</u>	<u>(4,634)</u>	<u>(2,919)</u>	<u>(12,602)</u>

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

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at	As at		As at	As at	
	31	31	As at	31	31	As at
December	December	1 January	December	December	1 January	
2013	2012	2012	2013	2012	2012	
				(Restated)	(Restated)	
Deferred tax assets						
Allowance for doubtful accounts	4,153	5,648	5,933	471	421	546
Allowance for diminution in value of inventories	32,649	32,706	28,466	18,081	17,634	14,910
Allowance for asset impairment	7,493	5,280	5,277	-	-	-
Unrealised profit from inter-sales transactions	55,698	46,925	44,241	-	-	-
Provision for long-term employee benefits	2,984	2,365	1,830	1,022	798	622
Provisions	1,495	1,525	1,123	1,495	1,279	-
Unused tax losses	46,169	66,463	49,394	32,523	30,541	20,000
Total	150,641	160,912	136,264	53,592	50,673	36,078

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company and its subsidiaries have reflected the changes in the income tax rates in their deferred tax calculation, as presented above.

As at 31 December 2013, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 175 million (2012: Baht 151 million) (the Company only: Baht 168 million (2012: Baht 151 million)), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

22. Promotional privileges

The Company has received various tax privileges under the Investment Promotion Act B.E. 2520 from the Board of Investment (BOI) pursuant to the investment promotion certificates No. 2040(4)/2549 and 3010/Wor/2545. Subject to certain imposed conditions, the privileges include an income tax exemption on profit derived from the promoted operations for a period of 8 years from the date the promoted operations commenced generating revenues (August 2006) and an exemption from import duty on imported raw materials and supplies used in production for export.

A subsidiary has received various tax privileges under the Investment Promotion Act B.E. 2520 from the Board of Investment (BOI) pursuant to the investment promotion certificates No. 1150(4)/2548 and 1151(4)/2548. Subject to certain imposed conditions, the privileges include an income tax exemption on profit derived from the promoted operations for a period of 8 years (January 2005 and September 2005, respectively).

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Sales	291,233	195,797	1,738,481	3,954,710	2,029,714	4,150,507
Services	-	-	1,111,961	889,599	1,111,961	889,599
Revenues from project work	(433,417)	61,565	1,762,545	785,010	1,329,128	846,575
Other income	-	-	49,263	51,819	49,263	51,819
Total revenues	<u>(142,184)</u>	<u>257,362</u>	<u>4,662,250</u>	<u>5,681,138</u>	<u>4,520,066</u>	<u>5,938,500</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Sales	550,609	385,289	978,675	3,192,102	1,529,284	3,577,391
Services	-	-	257,714	310,232	257,714	310,232
Revenues from project work	(433,417)	37,831	600,863	412,320	167,446	450,151
Other income	-	-	128,253	59,141	128,253	59,141
Total revenues	<u>117,192</u>	<u>423,120</u>	<u>1,965,505</u>	<u>3,973,795</u>	<u>2,082,697</u>	<u>4,396,915</u>

23. Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Profit for the year (Thousand Baht)	254,110	119,891	173,721	116,247
Weighted average number of ordinary shares (Thousand shares)	960,000	960,000	960,000	960,000
Earnings per share (Baht per share)	0.26	0.12	0.18	0.12

24. Segment information

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have four reportable segments as follows:

- 1) Electronics manufacturing service business is a business segment which designs, manufactures or consigns and turnkey projects, and sales of semiconductor electronic parts which is raw material to produce print circuit boards.
- 2) Telecommunication business is a business segment which designs the network to serve both Narrowband (voice related services) and Broadband (Internet related services) through both copper wire and optical fiber cable network, including sales of telecommunication exchange equipment, equipment for the Multi Service Access Node (MSAN), WDM Access Switch, and Call Center system.
- 3) Technology related business is a business segment which manufactures, distributes and turnkey on installing the traffic system, tracking system, electronic meters, electronic sign, advertising fee collection from smart traffic boards, and enterprise resource planning service.
- 4) Retail business is a business segment which provides domestic and oversea value added top up or online payment through kiosk system.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2013 and 2012, respectively.

(Unit: Million Baht)

Consolidated financial statements for the years ended 31 December

	Electronics manufacturing service business ¹⁾		Telecommunication business ²⁾		Technology related business ³⁾		Retail business ⁴⁾		Elimination of inter-segment revenues		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenues from external customers	1,628	3,948	515	480	1,525	906	803	553	-	-	4,471	5,887
Intersegment revenues	166	133	271	236	938	295	-	-	(1,375)	(664)	-	-
Total revenues	1,794	4,081	786	716	2,463	1,201	803	553	(1,375)	(664)	4,471	5,887
Segment operating profit	234	268	151	151	388	232	265	139	-	-	1,038	790
Unallocated income (expenses):												
Other income											49	51
Selling expenses											(89)	(62)
Administrative expenses											(565)	(541)
Share of profit (loss) from investments in associates											(8)	7
Finance cost											(89)	(122)
Income tax income (expenses)											(52)	5
Profit for non-controlling interests of the subsidiaries											(30)	(8)
Profit for the years attributable to equity holders of the Company											254	120

Segment assets of the Company and its subsidiaries as at 31 December 2013 and 2012 were as follows:

Segment total assets	Electronics										Total			
	manufacturing service business ¹⁾		Telecommunication business ²⁾		Technology related business ³⁾		Retail business ⁴⁾		Unallocated assets			Adjustments and eliminations		
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		2013	2012	
Property, plant and equipment	28	26	-	-	55	56	705	542	461	422	(263)	(209)	986	837
Other assets	522	531	-	-	2,848	1,148	446	424	1,731	3,187	(1,879)	(1,509)	3,668	3,781
Total assets	550	557	-	-	2,903	1,204	1,151	966	2,192	3,609	(2,142)	(1,718)	4,654	4,618

(Unit: Million Baht)

Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable segment.

Major customers

For the year 2013, the Company and its subsidiaries have revenue from two major customers in amount of Baht 596 million and Baht 1,080 million, arising from sales by the electronics manufacturing service business and technology related business segments (2012: Baht 2,858 million derived from one major customer, arising from sales by the electronics manufacturing service business segment).

25. Provident fund

The Company, its subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contribute to the fund monthly at a rate of 3% of basic salary. The funds, which are managed by TMB Asset Management Company Limited, TISCO Asset Management Company Limited, and American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. During 2013, the Company and its subsidiaries contributed Baht 6 million (2012: Baht 6 million) (the Company only: Baht 4 million (2012: Baht 4 million)) to the funds.

26. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2011	2012 Annual General Meeting of the shareholders on 30 March 2012	163	0.17
Total for 2012		163	0.17
Final dividends for 2012	2013 Annual General Meeting of the shareholders on 18 April 2013	115	0.12
Interim dividend paid from retained earnings and profit for the six-month period ended 30 June 2013	The Board of Directors' Meeting on 8 August 2013	115	0.12
Total for 2013		230	0.24

27. Commitments and contingent liabilities

27.1 Operating lease and related service commitments

- a) The Company and its subsidiaries have entered into several lease agreements in respect of the leases of warehouse, factory and office building space.

Commitments relating to the rentals and service fees under these leases were as follows:

	(Million Baht)	
	As at 31 December	
Payable within :	<u>2013</u>	<u>2012</u>
In up to 1 year	25	11
In over 1 and up to 5 years	26	11
In over 5 years	92	1

- b) A subsidiary entered into a lease agreement in respect of space rental in expressway area with Expressway Authority of Thailand in order to install signboards for advertising, public relations and expressway traffic report. The term of the agreement is 3 years which ends in 2014.

Future minimum lease payments required under the operating leases agreement were as follows:

	(Million Baht)	
	As at 31 December	
	<u>2013</u>	<u>2012</u>
Payable within:		
In up to 1 year	2	4
In over 1 and up to 3 years	-	5

- c) In December 2012, a subsidiary entered into an agreement with a government agency to receive the right to construct, maintain and derive benefits from 125 advertising billboards. The term of the agreement is 9 years which ends in 2021.

Future minimum lease payments required under the agreement were as follows:

	(Million Baht)	
	As at 31 December	
	<u>2013</u>	<u>2012</u>
Payable within:		
In up to 1 year	6	6
In over 1 and up to 5 years	22	22
In over 5 years	16	22

27.2 Guarantees

- (a) The Company has guaranteed loan and credit facilities of its subsidiaries amounting to Baht 1,715 million (2012: Baht 764 million).
- (b) As at 31 December 2013, there were outstanding bank guarantees amounting to approximately Baht 590 million (2012: Baht 920 million) issued by banks on behalf of the Company and its subsidiaries, of which Baht 368 million (2012: Baht 505 million) was on behalf of the Company only. These were in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries.

28. Financial instruments

28.1 Financial risk management

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

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The management manages the risk by adopting appropriate credit control policies to ensure that services are provided only to customers with a suitable credit history. However, the Company and its subsidiaries have a significant concentration of credit risk due to its exposure to a single major debtor and debtors of project work. The major debtor has honored all obligations and paid accounts in a timely manner, and debtors of project work are the authorities. In addition, some subsidiaries, have a large customer base. The management believes that such concentration of credit risk will have no material impact. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk primarily with respect to cash at banks, loans, bank overdrafts, short-term loans and long-term loans which bear interest. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

(Million Baht)

Consolidated financial statement as at 31 December 2013

	Fixed interest rates					Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	106	96	202	0.10 - 0.65
Trade and other receivables	-	-	-	-	1,066	1,066	-
Short-term loans to related parties	17	-	-	-	-	17	5.00
Unbilled receivables	-	-	-	-	1,137	1,137	-
Restricted bank deposits	9	-	-	1	-	10	0.50 - 2.00
	<u>26</u>	<u>-</u>	<u>-</u>	<u>107</u>	<u>2,299</u>	<u>2,432</u>	
Financial liabilities							
Bank overdrafts and short- term loans from financial institutions	1,519	-	-	55	-	1,574	3.00 - 3.64, refer to MLR
Trade and other payables	-	-	-	-	531	531	-
Long-term loans	-	15	-	493	-	508	3.00, refer to MLR
	<u>1,519</u>	<u>15</u>	<u>-</u>	<u>548</u>	<u>531</u>	<u>2,613</u>	

(Million Baht)

Consolidated financial statement as at 31 December 2012

	Fixed interest rates					Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	82	136	218	0.13 - 0.75
Trade and other receivables	-	-	-	-	1,401	1,401	-
Short-term loans to related parties	15	-	-	-	-	15	4.00
Unbilled receivables	-	-	-	-	909	909	-
Restricted bank deposits	12	-	-	5	-	17	0.75 - 3.50
	<u>27</u>	<u>-</u>	<u>-</u>	<u>87</u>	<u>2,446</u>	<u>2,560</u>	
Financial liabilities							
Bank overdrafts and short- term loans from financial institutions	-	-	-	1,754	-	1,754	MOR, MMR, refer to MLR
Trade and other payables	-	-	-	-	702	702	-
Long-term loans	-	25	-	273	-	298	3.00, refer to MLR
	<u>-</u>	<u>25</u>	<u>-</u>	<u>2,027</u>	<u>702</u>	<u>2,754</u>	

(Million Baht)

Separate financial statement as at 31 December 2013

	Fixed interest rates					Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	15	12	27	0.10 - 0.65
Trade accounts and other receivables	-	-	-	-	707	707	-
Short-term loans to related parties	17	-	-	-	-	17	4.00 - 5.50
Unbilled receivables	-	-	-	-	5	5	-
	17	-	-	15	724	756	
Financial liabilities							
Bank overdrafts and short- term loans from financial institutions	405	-	-	-	-	405	3.00 - 3.50
Trade and other payables	-	-	-	-	238	238	-
Long-term loans	-	-	-	239	-	239	refer to MLR
	405	-	-	239	238	882	

(Million Baht)

Separate financial statement as at 31 December 2012

	Fixed interest rates					Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	31	8	39	0.13 - 0.75
Trade accounts and other receivables	-	-	-	-	1,351	1,351	-
Short-term loans to related parties	254	-	-	-	-	254	3.80 - 5.50
Unbilled receivables	-	-	-	-	555	555	-
	254	-	-	31	1,914	2,199	
Financial liabilities							
Bank overdrafts and short- term loans from financial institutions	-	-	-	1,434	-	1,434	MOR, MMR, refer to MLR
Trade and other payables	-	-	-	-	555	555	-
Long-term loans	-	-	-	252	-	252	refer to MLR
	-	-	-	1,686	555	2,241	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

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

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.0	0.9	2.0	1.8	32.8136	30.6316
Hong Kong dollar	0.1	-	0.4	0.2	4.2316	3.9510
Japanese yen	-	-	-	30.2	0.3130	0.3545
Vietnamese dong	1.0	1.2	-	1.0	0.0015	0.0015

Foreign exchange contracts outstanding are summarised below:

As at 31 December 2013

Foreign currency	Bought amount	Contractual exchange rate of bought amount
	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.2	32.1200 - 32.8750

The foreign exchange contracts mature in the first quarter of 2014.

As at 31 December 2012

Foreign currency	Bought amount	Contractual exchange rate of bought amount
	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.5	30.7000 - 30.8370

The foreign exchange contracts matured in the first quarter of 2013.

28.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature and the loans bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 1.7:1 (2012 (restated): 1.9:1) and the Company's was 0.7:1 (2012 (restated): 1.7:1).

30. Event after the reporting period

On 20 February 2014, a Board of Directors' meeting resolved the following resolutions.

- 1) To propose that the Annual General Meeting of Shareholders approve a dividend payment for the year 2013 of Baht 0.15 per share, a total of Baht 144 million. The dividend will be paid from the Company's operating results for the year ended 31 December 2013 and the retained earnings derived from the promoted activities.
- 2) To approve the Company purchase of 34,000 additional shares of Forth Tracking System Company Limited (the Company's associate) for Baht 3.4 million, in order to maintain its existing shareholding. The associate will issue 100,000 new ordinary shares with a par value of Baht 100 each, amounting to Baht 10 million.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2014.

General Information of the Company

Company Name	:	Forth Corporation Public Company Limited
Security Name	:	FORTH
Company Registration Number	:	0107548000471
Paid-up capital	:	480,000,000 Baht (960,000,000 common shares of Baht 0.5 par value)
Nature of Business	:	<ul style="list-style-type: none"> • Manufacturing and distribution of telecommunication and electronic equipment under trademark of “FORTH” • Manufacturing of print circuit board and electronic equipment under the customer brand • Manufacturing, distribution and contractor for the installation of equipment, traffic light system • Manufacturing and distribution of electric sign board • The collection of the advertising fee from text message and images on genius traffic board • The development and implementation of Enterprise Resource Planning system • The online top-up service and topping-up the prepaid mobile phone under trademark of “Boonterm”
Head Office’s address	:	1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400
Branch’s address	:	<p><u>Branch No. 1</u> 66/350 Moo 12 Raikhing, Sampran, Nakornprathom, 73210</p> <p><u>Branch No. 2</u> 77 Moo 11 Phuttamonthon 5th Road, Raikhing, Sampran, Nakornprathom, 73210</p> <p><u>Branch No. 3</u> 66/18 Moo 12 Raikhing, Sampran, Nakornprathom, 73210</p> <p><u>Branch No. 4</u> 282, 284 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400</p>
Website	:	www.forth.co.th
Telephone	:	0-2265-6700, 0-2271-2888
Facsimile	:	0-2265-6799, 0-2279-4888
References		
Securities Registrar	:	<p>Thailand Securities Depository Co., Ltd.</p> <p>62, The Stock Exchange of Thailand Building</p> <p>Ratchadapisek Road, Klongtoey, Bangkok, 10110</p> <p>Tel. 0-2229-2800 Fax. 0-2359-1259</p>
Auditors	:	<ol style="list-style-type: none"> 1. Mr. Supachai Phanyawattano CPA (Thailand) No. 3930 or 2. Mr. Narong Puntawong CPA (Thailand) No. 3315 or 3. Ms. Waraporn Prapasirikul CPA (Thailand) No. 4579 <p>EY Office Limited</p> <p>193/136-137, 33rd Floor, Lake Rajada Office Complex</p> <p>Rajadapisek Road, Klongtoey, Bangkok , 10110</p> <p>Tel: 0-2264-0777 Fax: 0-2264-0790</p>



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