



Annual Report **2014**

Forth Corporation Public Company Limited



## “Awards of Pride”



2009

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

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

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

Product: Multi Service Access Network (MSAN)

2010

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)

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

Product: FORTH X-TRAMS WDM Access Switch

2011

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)

The Best Supplier Awards from Pioneer Manufacturing (Thailand) Co., Ltd.,

Toshiba Career (Thailand)Co. Ltd. and Western Digital (Thailand) Co., Ltd. in 2011

2012

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

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## “ Message from the Chairman of the Board of Directors ”



2014 was a challenging year for all businesses in Thailand because it was faced with political risk within the country and also the contraction of exports. Due to the volatility of the global economy, there is serious impact on the economic growth in Thailand especially for agricultural products has been the most affected in which impact to the purchasing power of citizens in the country until the overall GDP fell to almost negative for the first time in a decade.

Although there are strong economic contraction but the Company can continue to stand and satisfactorily overcome the hurdles. There are advances progresses of the future of the Company and the turnover and profit in the year 2014 by the Group exceed the expectations. This is good news for shareholders for another year.

For 2014, the government target of 4% GDP growth means that the current domestic spending is expected to raise 10-12% in which the aftermath becomes an advantage of all types of businesses. This can be a very challenging year for Thailand; in particular, the ASEAN Economic Community (AEC) and the recovery of the global economy provide opportunities for those who are ready with a roadmap and better vision. There will be an advantage in the competitive scramble for an opportunity to expand their transactions both horizontal and vertical. I believe in the workmanship and vision of the management of the Group that would lead to the relentless advance. In particular, the spread to the country's AEC which the Group has been committed to the development of technology throughout, which can be seen from the increase of our own products that have been continued to market and expand for the new businesses as you will be informed during the 2015 Annual General Meeting of Shareholders.

On this occasion, I would like to thank the shareholders for trusting and supporting both direct and indirect especially the executives and employees at all levels who have been contributing to the Group's growth in the past. In respect of all directors, I certify that I will abide steadily in corporate governance to grow our business and firmly forward the business in the future.

Sanit Vorapunya  
Chairman of the Board of Directors

## “ Message from the Chief Executive Officer ”

Although the difficult economic situation in Thailand in 2557 was not favorable to business expansion, the Company continues to maintain well growth. The Company can generate higher profits continuously for a period of three consecutive years. The Company reported a net profit of Baht 338 million, up 33% from the prior year. The major factor in the net profit grew to a great continuation from the growth of online top up business "Boonterm" and the rise of Enterprise Resource Planning System (ERP) of the Metropolitan Electricity Authority. However, in 2014 there was a decrease of the installation of CCTV cameras (CCTV).

The process of spin-off "Forth Smart Service Public Company Limited" ("the subsidiary") went through well. In October 2557, the subsidiary offered IPO shares to the shareholders of the Company and the general public a total of 200 million shares and registered the increase of its issued and paid up share capital from 600 million shares to 800 million shares. The Market for Alternative Investment (mai) approved the subsidiary's 800 million ordinary shares as listed securities to be traded on the mai, effective from 14 October 2014, with a symbol of "FSMART". The public offering by the subsidiary resulted in a reduction in the Company's shareholding in the subsidiary from 61% to 46%. However, the Company still has control over the operating policies of the subsidiary. In 2015, the Company will produce new version of top up machine "Boonterm", which has a screen size of 10 inches to make it more convenient to display and ease of use of consumers. Furthermore, there will be a new vending and top up machine, which can be used to distribute refreshments and can also top up your mobile phone.

The Company is committed to conducting its business in the most successful with a focus on developing the technology knowledge to support the industry changes. As well as designing new products that have potential to generate revenues and profits to expand customer base and reduce its dependence on a particular product.

The success and progress of the Company are derived from continued supporting from the shareholders, the customers' trust and confidence, as well as the determination and dedication to work of the staff members at all levels.

On behalf of the Board of Directors, we hereby express our thanks to you all for your trust in our management team, who will take responsible for the continuing growth of the Company same as in the past. The Company will adherence to the good corporate governance principles together with our care for the society.



Pongchai Amatanon  
Chief Executive Officer



## Financial Hilight

	2014	% change	2013	% change	2012
<b>Statement of comprehensive income (Million Baht)</b>					
Revenues from main business	4,278	-4%	4,471	-24%	5,887
Total revenues	4,377	-3%	4,534	-24%	5,938
Gross profit margin	1,202	16%	1,038	31%	790
Profit before finance cost and income tax expense	538	24%	435	78%	245
Net profit attributable to equity holders of the Company	338	31%	258	115%	120

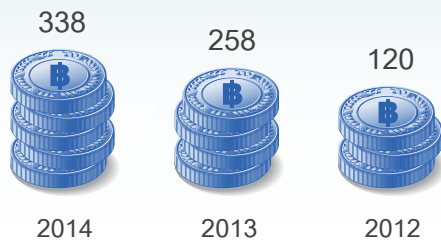
### Statement of financial position (Million Baht)

Property, plant and equipment	1,448	47%	986	18%	837
Total assets	6,323	36%	4,636	0%	4,618
Total liabilities	4,028	37%	2,932	-2%	3,002
Total shareholders' equity	2,295	35%	1,704	5%	1,616

### Financial ratios

Number of issued and paid-up shares (Million shares)	960	0%	960	0%	960
Book value per share (Baht)	2.39	35%	1.78	5%	1.68
Earnings per share (Baht)	0.35	31%	0.27	115%	0.12
Net profit to total revenues	8%	36%	6%	182%	2%
Return of equity ratio	17%	9%	16%	90%	8%
Return of assets ratio	11%	-4%	11%	114%	5%
Cash from operating activities to total assets	11%	-16%	13%	56%	8%
Debt to equity ratio (time)	1.76	2%	1.72	-7%	1.86

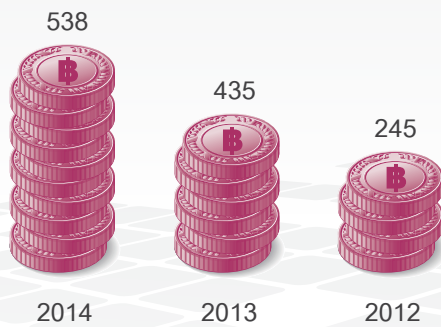
### Net Profit (Million Baht)



### 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  
Audit Committee



**Mr. Sutham Malila**

Director  
Independent Director  
Chairman of Audit Committee



**Mr. Pongchai Amatanon**

Director  
Executive Director  
Chief Executive Officer



**Ms. Nongram Laohaareedilok**

Director  
Independent Director  
Audit Committee



**Mrs. Rangsee Lerttripinyo**

Director  
Executive Director  
Senior Executive Vice President



Board of Directors



Mr. Boonya Tantipanichapun

Director  
Executive Director



Mrs. Matinee Wandeepirom

Director



Mr. Kaelic Amatanon

Director



Ms. Chonticha Siripongpreeda

Director

## Management



**Mr. Pongchai Amatanon**

Chief Executive Officer



**Mrs. Rangsee Lertripinyo**

Senior Executive Vice President



**Mr. Chatchavin Pipatchotitham**

Executive Vice President



**Mr. Sawat Erbchokchai**

Vice President of Research  
& Development

Management



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

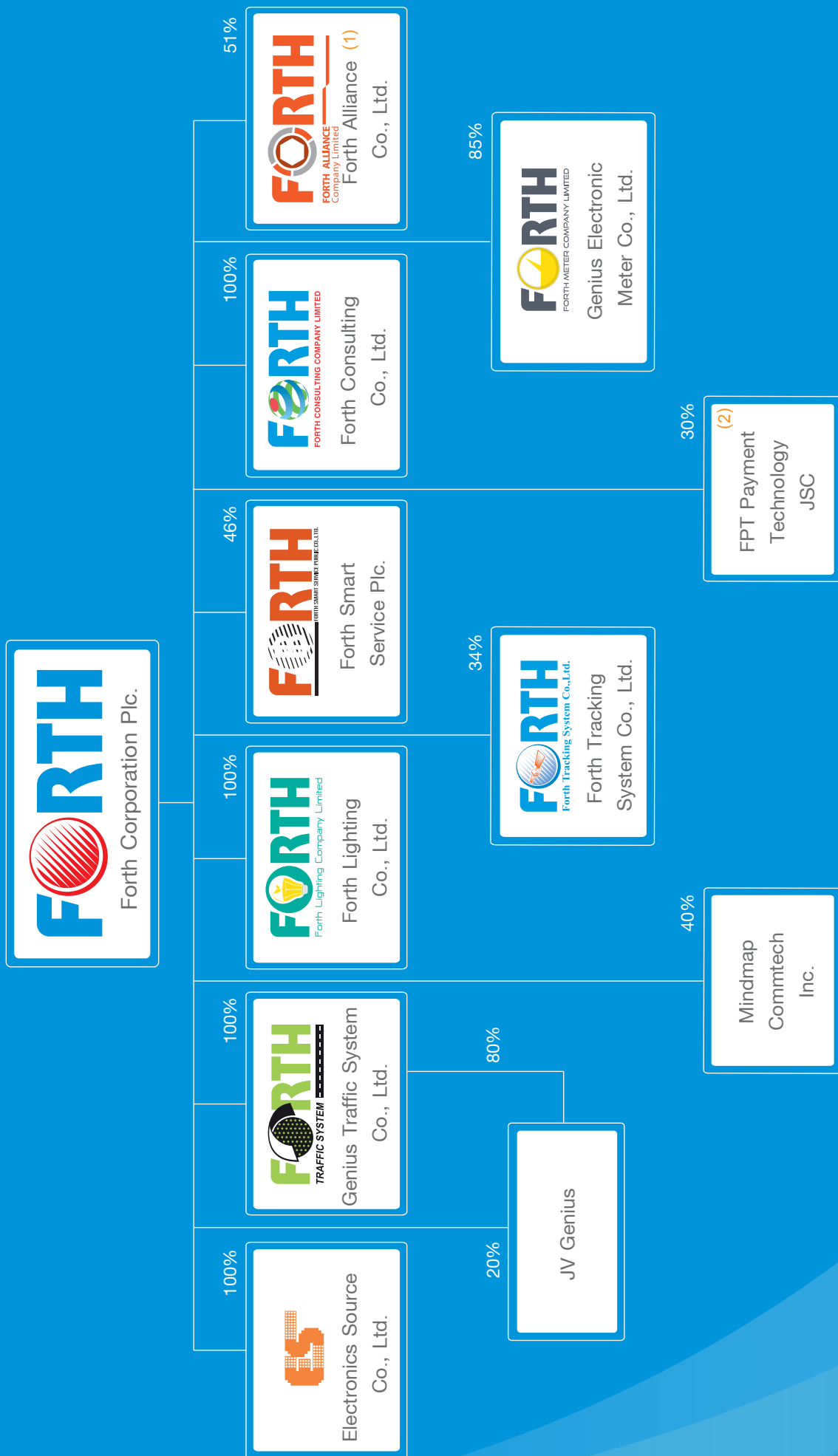
Forth Corporation Public Company Limited is the telecommunication and electronic business organization that endeavors to provide excellent products and full integrated services to align with the principle of corporate governance for sustainable development and corporate social responsibilities.



## 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



(1) Under liquidation process

(2) Under dissolution process

## 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. Sanyu Denso (Thailand) Company Limited, Pioneer Manufacturing (Thailand) Company Limited and Toshiba Carrier (Thailand) Company Limited, Fusion Electronics Limited, Invenco Group Limited, Garmin Switzerland and etc.



### Business of electronics component sourcing

It is operated by Electronic Source Company Limited (a 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 1,000 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 advertising fee collection from smart traffic boards

The business is operated by Joint Venture Genius (JV Genius). The 80% of the joint venture capital is held by Genius Traffic System Company Limited and 20% of the joint venture capital is held by the Company. JV Genius is assigned from Bangkok Metropolitan Administration (BMA) to install smart traffic boards including maintenance and 40 control stations. Moreover, it received right to derive benefit from the smart traffic boards for 9 years (3 years per one contract and renew 2 times per contract).

**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 Forth Meter Company Limited (a 85-percent owned associate and another 15% 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 100% owned subsidiary). 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.

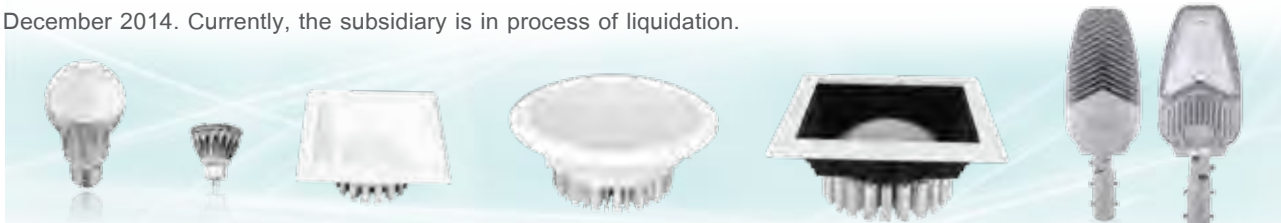




### Business of design and installation service in respect of information technology and telecommunication systems

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.

On 9 December 2014, a meeting of the subsidiary's Board of Directors approved the dissolution of the subsidiary since it has not yet commenced its operation. The subsidiary registered the dissolution with Ministry of Commerce on 11 December 2014. Currently, the subsidiary is in process of liquidation.



### 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 (a 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.

## Online service top up business

### Domestic business of online service top up

The business is operated by Forth Smart Service Public Company Limited (a 46-percent owned subsidiary and another 54% of equity interest are not connected persons) under trademark of **เติมเงิน**. 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, credit card payment for AEON, Tesco and First Choice, purchasing of internet hours and international calling card. The kiosk system also supports other business activities in the future e.g. vending machine.



### Overseas 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. Currently, the associate is in process of dissolution.

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
- Key Telephone
- Digital PBX
- ISDN PBX
- V5.2 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
- Smart IP Phone
- Speaker
- Wi-Fi Outdoor
- WiFi Indoor
- LED Streetlight
- ONU



# 2014



- Counter Service
- Set Top Box
- Antenna
- Indoor / Outdoor
- E27 / MR 16 / Downlight
- Wifi Easypass



## Research and Development Project

### Boonterm 10"

From the achievement of developing the Boonterm top up machine, Boonterm has obtained the market of greater than 40,000 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.



### Drinking water dispenser and online top up machine

Drinking water dispenser and online top up machine of the Company can provide online payment and dispense drinking water. It uses the principles of Reverse Osmosis, which is recognized worldwide as the most modern and safe drinking water production system by using water pressure to force water through the high quality water filters or Thin Film Composite Membrane. The membrane consists of many small pores that have a resolution of 0.0001 micron (1 mm over 10 million). In which the size of a pore is similar to a size of molecule of water and will only allow water molecules to seep through. The dirt, germs, viruses, bacteria, toxins and chemicals that mixed with water would be removed along with the rest of the system. Materials used in the manufacturing and assembling of all the components were thoughtfully reviewed by professional engineers. In addition, the outer design of the machine is highly appearance, strong, durable and selected only the highest quality materials and equipment such as Food Grade material to ensure the safety of consumers.



### Automatic vending and online top up machine

Automatic vending and online top up machine of the Company can provide online payment service and distribute beverage with a 40-inch LED screen makes it possible to display and more convenient for users. It also builds on the new services, such as advertising on the LED screen, etc.

The vending machine can also link to the online sales information, which can send the information back to the service center, in order to effectively manage the number of items to be replaced the sold products.



### 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.

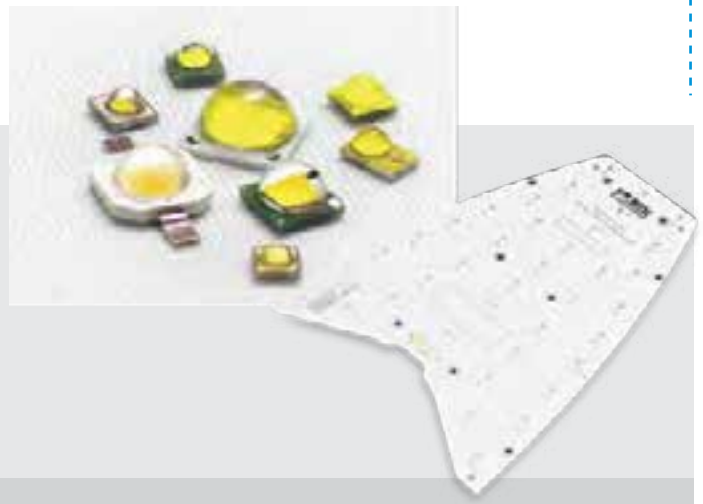


## Street Light



### 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.



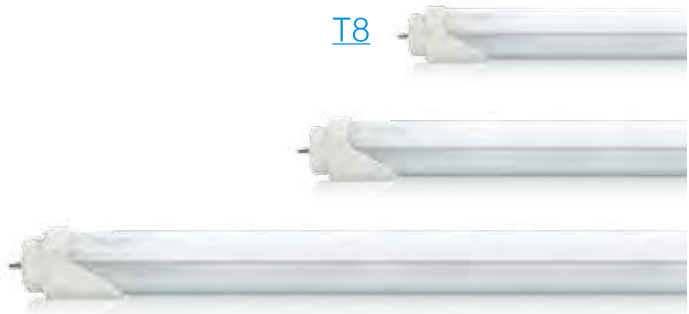
## LED LIGHTING



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



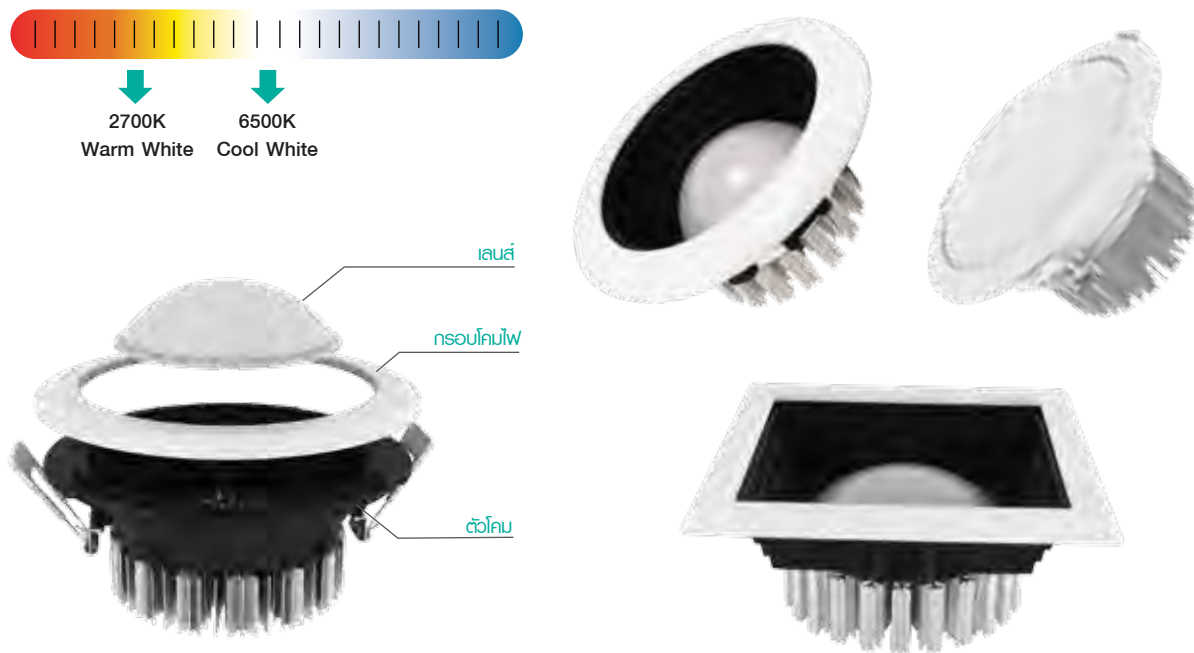
Flood Light

### 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.

## LED DOWNLIGHT

As in the present, needed to save 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.





## Board of Directors

### Mr. Sanit Vorapunya

Age 76 years old

Chairman of BOD/ Independent Director/ Audit Committee

Company's Shares Possession (%)

as of 30 January 2015: -None-

#### Education and Training Background

- Certificate of Thailand National Defense College
- MA. (Econ.), University of Wisconsin, USA
- B.A. of Economics, 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 61 years old

Director / Independent Director/ Audit Committee

Company's Shares Possession (%)

as of 30 January 2015: -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

### Mr. Sutham Malila

Age 71 years old

Director/ Independent Director/ Chairman of Audit Committee

Company's Shares Possession (%)

as of 30 January 2015: -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 Amatanon

Age 51 years old

Director/ Executive Director/ Chief Executive Officer

Company's Shares Possession (%)

as of 30 January 2015: -41.75- (\*)

(\*) Including spouse 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 Forth 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 54 years old

Director/Executive Director/Senior Executive Vice President

Company's Shares Possession (%)

as of 30 January 2015: -6.14-(\*)

(\*) Including spouse 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 Amatanon**

Age 58 years old

Director

Company's Shares Possession (%)

as of 30 January 2015: -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 Wandepirom**

Age 53 years old

Director

Company's Shares Possession (%)

as of 30 January 2015: -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 53 years old

Director/ Executive Director

Company's Shares Possession (%)

as of 30 January 2015: -2.57-(\*)

(\*) Including spouse 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 43 years old

Director

Company's Shares Possession (%)

as of 30 January 2015: -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 Amatanon

Age 51 years old

Chief Executive Officer

Company's Shares Possession (%)

as of 30 January 2015: -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 Lertripinyo

Age 54 years old

Senior Executive Vice President

Company's Shares Possession (%)

as of 30 January 2015: -6.14- (\*)

(\*) Including spouse 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 42 years old

Executive Vice President

Company's Shares Possession (%)

as of 30 January 2015: -None

#### Education and Training Background

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

### Mr. Sawat Erbchokchai

Age 47 years old

Vice President of Research & Development (\*)

Company's Shares Possession (%)

as of 30 January 2015: -None-

#### Education and Training Background

- B.A. of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang
- (\*) He has resigned from the Company since 30 December 2014.

### Mr. Pramote Pantina

Age 46 years old

Vice President of Production

Company's Shares Possession (%)

as of 30 January 2015: -None-

#### Education and Training Background

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

### Mr. Arin Jamnaree

Age 42 years old

Vice President of Accounting and Finance

Company's Shares Possession (%)

as of 30 January 2015: -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 30 January 2015: -None-

#### Education and Training Background

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

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

## Significant Changes and Development

In 2014, the Company has significant changes and development as follows:

### Forth Corporation Public Company Limited.

- The Company exercised its right to purchase 1,500,000 new ordinary shares of Genius Traffic System Company Limited (the Company's subsidiary) at a par value of Baht 100 each, amounting to Baht 150 million, in order to maintain its existing shareholding.
- The Company exercised its right to purchase 90,000 new ordinary shares of Forth Lighting Company Limited (the Company's subsidiary) at a par value of Baht 100 each, amounting to Baht 9 million, in order to maintain its existing shareholding
- The Company exercised its right to purchase 34,000 new ordinary shares of Forth Tracking System Company Limited (the Company's associate) at a par value of Baht 100 each, amounting to Baht 3.4 million, in order to maintain its existing shareholding.
- The Company's shareholding in Forth Smart Service Public Company Limited (the Company's subsidiary) decreased from 61% to 46% since the subsidiary made an offer to the Company's shareholders and the public to purchase 200 million shares with a par value of Baht 0.5 million each, at a price of Baht 2.5 per share.
- The Company received 1,599,998 ordinary shares of Forth Meter Company Limited, an associate, from three shareholders who wished to transfer all of their shareholdings to the Company, with a price of zero Baht. As a result, the Company's shareholding increased from 45% to 85%.
- The Company received 30,000 ordinary shares of Forth Consulting Company Limited (the Company's subsidiary) from one of the shareholders who wished to transfer all of his shareholding to the Company, with a price of zero Baht. As a result, the Company's shareholding increased from 70% to 100%.
- The Company approved the dissolution of Forth Alliance Company Limited (the Company's subsidiary) because the subsidiary has not yet commenced its operation and has capital deficit.
- The Company acquired premises located at Phaholyothin Road, Samsennai, Phayathai, Bangkok, with an area of 349 square wah, at a price of Baht 316 million from unconnected persons. The premises will be used for business expansion.

### Forth Smart Service Public Company Limited

- Forth Smart Service Public Company Limited made an offer to the Company's shareholders and the public to purchase 200 million shares with a par value of Baht 0.5 million each, at a price of Baht 2.5 per share. Its ordinary shares were approved by the Market for Alternative Investment as listed securities and were traded on the Market for Alternative Investment starting from 14 October 2014. Its security name is "FSMART".

### Genius Traffic System Company Limited

- Genius Traffic System Company Limited increased its share capital from Baht 50 million (500,000 ordinary shares with a par value of Baht 100 each) to Baht 200 million (2,000,000 ordinary shares with a par value of Baht 100 each) through the issuance of 1,500,000 newly ordinary shares with a par value of Baht 100 each.

### Forth Lighting Company Limited

- Forth Lighting Company Limited increased its share capital from Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) to Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each) through the issuance of 90,000 newly ordinary shares with a par value of Baht 100 each.

### Forth Alliance Company Limited

- Forth Alliance Company Limited registered the dissolution with the Ministry of Commerce on 11 December 2014 and currently, it is in process of liquidation.



**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	2,000,000	1,999,994	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	800,000,000	365,999,400	45.75%
5	Forth Consulting Co., Ltd. 1053/1 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	99,998	100.00%
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	10,000	5,097	51.00%
7	Forth Lighting Co., Ltd. 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2271-4888, Fax : 0-2271-3040-1	Manufacture and distribution of lamps and lighting equipment	Common	100,000	99,996	100.00%
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	Forth 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	3,399,997	85.00%
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 JSC FTP Tan Thuan Building -2nd Floor, 29 - 31B - 33B, Tan Thuan Street, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, Dist. 7 HCM City, Vietnam	Online top up services and automatic prepaid mobile phone top up	Common	4,200,000	1,260,000	30.00%

## Revenue structure

	2014		2013		2012	
	(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	545	12.45	911	20.09	3,209	54.03
- Distribution of electronics parts	721	16.47	717	15.81	739	12.45
Telecommunication business	918	20.97	515	11.36	480	8.08
Technology related business						
- Manufacturing, distribution and installation of traffic light system and related equipment, CCTV and electronic boards	505	11.54	1,291	28.48	518	8.71
- Development and implementation of ERP system	445	10.17	203	4.48	367	6.18
- Others	40	0.91	31	0.68	21	0.35
Online top up service and topping up prepaid mobile phone	1,104	25.23	803	17.71	553	9.31
<b>Total revenues from major business</b>	<b>4,278</b>	<b>97.74</b>	<b>4,471</b>	<b>98.61</b>	<b>5,887</b>	<b>99.11</b>
Other revenues	99	2.26	63	1.39	51	0.89
<b>Total revenues</b>	<b>4,377</b>	<b>100.00</b>	<b>4,534</b>	<b>100.00</b>	<b>5,938</b>	<b>100.00</b>

## 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 the liquidity of distribution to public sector**

The target customers of our telecommunication business and related technology business are mainly public sectors which the payment terms are usually 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 change in government policy**

Telecommunication business and related technology business involve in bidding projects from government agencies, which budget of the projects should be approved from government. Therefore, if there are any changes in the government policy, it might also impact on the Company's business opportunities. However, the Company monitors such policies closely and diversifies our business to retail business in order to minimize fluctuation of revenue and profit.

#### **Risk relating to project delivery**

The operations of projects by the Group normally have duration of 3 months to 1 year 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. At the end of 2014, the Company and its subsidiaries remain the inventory of 18% of total assets (15% in 2013). Large number of remaining inventories from slow distribution might result in obsolete products which require high capital for management. The allowance for obsolete product reduces the profitability and liquidity of the Company and its subsidiaries; hence, in 2014 the Company and its subsidiaries have set up Baht 30.4 million allowance for obsolete inventories (2013: Reversal of provision for obsolete inventories of Baht 0.3 million). 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 dependence on an executive or a major shareholder**

Mr. Pongchai Amatanon is the founder and Chief Executive Officer 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 Executive.

**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**

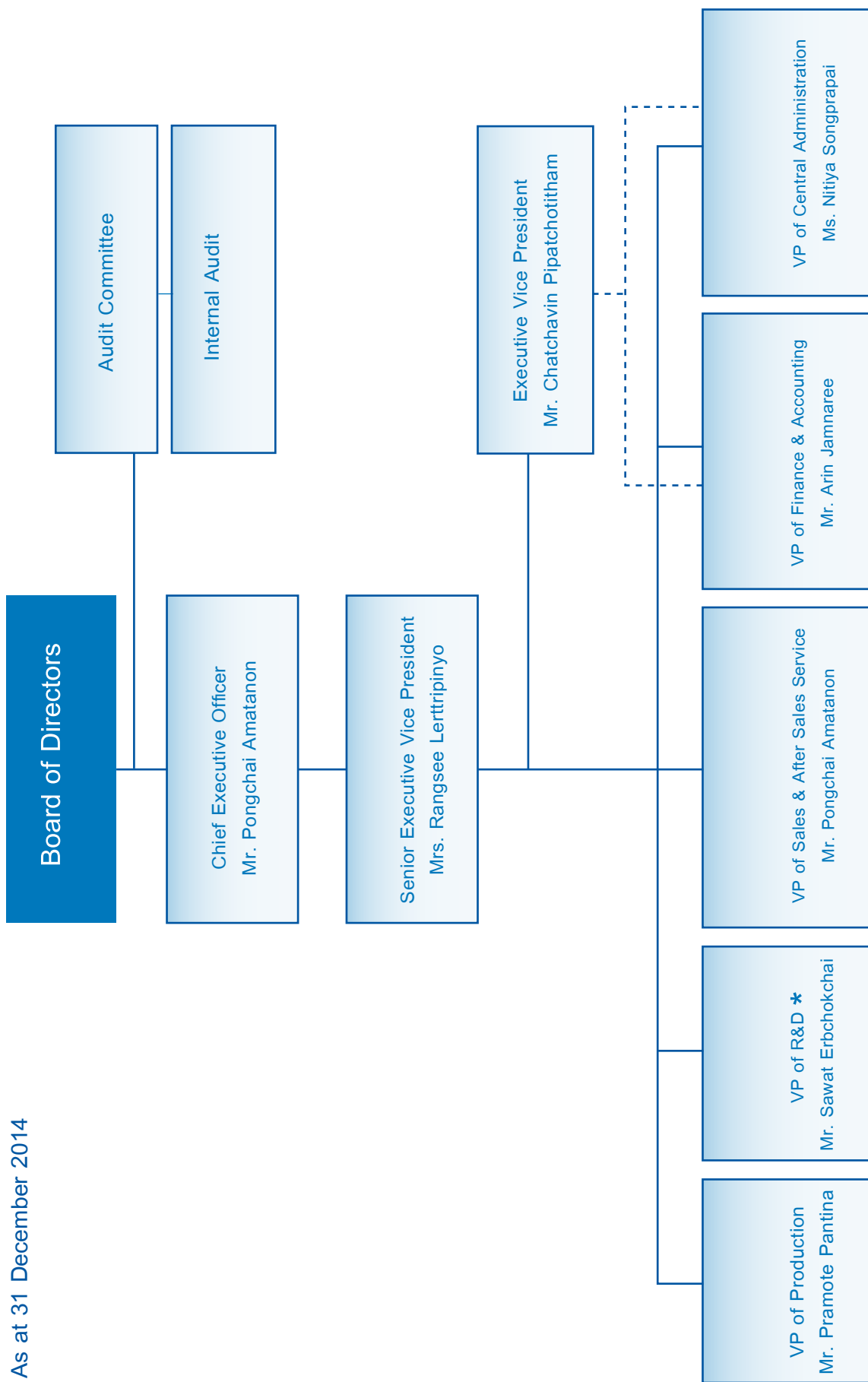
As at 30 January 2015, Amatanon family was still the major shareholder of the Company with shareholding of 54.11%, which is more than 50% of the Company's paid-up capital. As a result, this family is able to manipulate the resolution of shareholders' meeting in every agenda; either appointment of directors, 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.

Investors can get information about risk factors of Forth Smart Service Public Company Limited, which is the subsidiary, from the annual report and annual filing (Form 56-1) of Forth Smart Service Public Company Limited.



## Organization Structure

As at 31 December 2014



\* He has resigned from the Company since 30 December 2014.

## 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.

List of board members as at 31 December 2014

No.	Name	Position
1.	Mr. Sanit Vorapunya	Chairman of BOD/ 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 Amatanon	Director/Chief Executive Officer
5.	Mrs. Rangsee Lertripinyo	Director/Senior Executive Vice President/ Corporate Secretary
6.	Mr. Kaelic Amatanon	Director
7.	Mrs. Matinee Wandeepirom	Director
8.	Mr.Boonya Tantipanichapun	Director/Executive Director
9.	Ms.Chonthicha Siripongpreeda	Director

All members of the Board of Directors 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 Amatanon co-signed with either Mr. Kaelic Amatanon or Mrs. Rangsee Lertripinyo, or Mrs. Matinee Wandeepirom with the Company's seal.

### Duties and responsibilities for 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 approve 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 involved 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-committees, 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 members held in the Company or related companies.

The board members therefore cannot personally benefit or for others sake from their 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 31 December 2014, there are 3 members of the Board of Executive Directors which are as follows:

No.	Name	Position
1.	Mr. Pongchai Amatanon	Chairman of Executive Director
2.	Mrs. Rangsee Lerttripinyo	Executive Director
3.	Mr. Boonya Tantipanichaphan	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 of Directors, 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 is higher than the regulation concerning the independent director's qualification of Securities and Exchange Commission.

As at 31 December 2014, 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 member 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 2014, there are 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. 3rd is knowledgeable and sufficient experience to review the reliability of financial statements.

### **Duties and responsibilities for Audit Committees**

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.

## Management Team

The management of the Company as at 31 December 2014 consisted of:

No.	Name	Position
1.	Mr. Pongchai Amatanon	Chief Executive Officer/Vice President of Sale and After Sale and Service
2.	Mrs. Rangsee Lerttripinyo	Senior Executive Vice President/Company Secretary
3.	Mr. Chatchavin Pipatchotitham	Executive Vice President
4.	Mr. Pramote Pantina	Vice President of Production
5.	Mr. Sawat Erbchokchai	Vice President of Research & Development (1)
6.	Mr. Arin Jamnaree	Vice President of Accounting and Finance
7.	Ms.Nitiya Songprapai	Vice President of Central Administration (2)

(1) He has resigned from the Company since 30 December 2014.

(2) She was appointed as the Company's management on 7 March 2014.

### 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 and/or the Board of Directors' meeting and/or 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 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 annual 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 2014 Annual General Meetings of Shareholders on 18 April 2014, 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 1.5 million and shall be allocated to the non-executive directors and/or independent directors.

### Monetary remuneration

Unit: Million Baht

Name	Board of Directors		Audit Committee	
	2014	2013	2014	2013
Mr.Sanit Vorapunya	165,000	165,000	747,500	547,500
Mr.Sutham Malila	110,000	110,000	731,000	531,000
Ms.Nongram Laohaareedilok	88,000	110,000	684,800	531,000
Mr.Pongchai Amatanon	110,000	110,000	-	-
Mrs.Rangsee Lertripinyo	110,000	110,000	-	-
Mr.Boonya Tantipanichapun	110,000	110,000	-	-
Mrs.Matinee Wandeepirom	110,000	110,000	-	-
Mr.Kaelic Amatanon	110,000	110,000	-	-
Ms.Chonthicha Siripongpreeda	110,000	110,000	-	-
<b>Total</b>	<b>1,023,000</b>	<b>1,045,000</b>	<b>2,163,300</b>	<b>1,609,500</b>

Management Remuneration	2014	2013	2012
Management Remuneration (Million Baht)	58.26	49.35	43.43
Number of Management (Persons)	17	12	11
Fringe Benefits	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 the 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.	Company	2014		2013		2012	
		Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)
1.	Forth Corporation Plc.	1,495	282.44	895	239.11	1,098	267.98
2.	Electronics Source Co., Ltd.	171	75.74	153	76.56	153	76.83
3.	Genius Traffic System Co., Ltd.	335	78.85	242	70.78	203	57.58
4.	JV Genius	30	8.72	30	10.43	37	9.68
5.	Forth Smart Service Plc.	176	47.22	148	40.51	129	31.81
6.	Forth Consulting Co., Ltd.	13	5.92	12	7.06	16	20.13
7.	Forth Alliance Co., Ltd.	-	-	1	0.37	-	-
8.	Forth Lighting Co., Ltd.	18	2.29	-	-	-	-
9.	Forth Meter Co., Ltd.	28	1.20	-	-	-	-
	<b>Total</b>	<b>2,266</b>	<b>502.38</b>	<b>1,481</b>	<b>444.82</b>	<b>1,636</b>	<b>464.01</b>

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 2014, 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 30 January 2015 were as follows:

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
1	Amatanon family		519,442,000	54.11
	Mr.Pongchai Amatanon	366,744,400		
	Mrs.Rangsee Lertripinyo	58,915,500		
	Mr.Kaelic Amatanon	57,924,000		
	Mrs.Wantana Amatanon	34,089,600		
	Mr.Pattanun Amatanon	228,200		
	Ms.Nisa Amatanon	161,300		
	Mr.Autsila Amatanon	120,000		
	Mr.Chavin Lertripinyo	800,000		
	Ms.Rasinee Lertripinyo	459,000		
2	Mr.Vichai Tongtaeng		69,403,400	7.23
3	Siripongpreeda family		34,831,900	3.63
	Mr.Poonsak Siripongpreeda	32,431,900		
	Mr.Somruek Siripongpreeda	2,400,000		
4	Ninnoennon family		32,538,800	3.39
	Mr.Boonyong Ninnoennon	26,298,500		
	Ms.Boonyanit Ninnoennon	6,240,300		

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
5	Mrs.Matinee Wandeepirom		24,750,400	2.58
6	Tantipanichapun family		24,711,400	2.57
	Mr.Boonya Tantipanichapun	11,361,400		
	Mrs.Vipawan Tantipanichpun	13,350,000		
7	Sujjaboriboon family		19,960,000	2.08
	Mr.Thanin Sujjaboriboon	17,170,000		
	Mrs.Chuleeporn Sujjaboriboon	2,450,000		
	Mr.Thanet Sujjaboriboon	340,000		
8	Ms.Kananuch Lekvijit		19,622,000	2.04
9	Mr.Supat Pongrattanakul		16,523,700	1.72
10	Leelatheerakul family		14,615,000	1.52
	Mr.Kumthorn Leelatheerakul	14,605,000		
	Ms.Chittima Leelatheerakul	10,000		
	Others		183,600,500	19.13
	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.

Forth Smart Service Public Company Limited 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 any reserves according to the subsidiary's Articles of Association or by law without any other necessities and such dividend payment has no significant affect on the subsidiary's operation.

The another 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	2014	2013	2012
Earnings per share (Baht per share)	0.51	0.18	0.12
Dividend per share (Baht per share)	0.30	0.27	0.12
Dividend payment rate (%)	59	150	99

## Corporate Governance

### Corporate Governance Policy

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 of Directors, executives and employees have already accepted and followed up the policies strictly.

### Compliance with the Principles of Good Corporate Governance

In 2014, the Company conformed to corporate governance principles in the following aspects:

#### 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 2014 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 2014 AGM, Thai Investor Association assessed the result of AGM of the Company which received the excellent level with scoring 99 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 2014 Annual General Meeting of Shareholders was held on 18 April 2014 at 02.00 p.m., at the Company's head office, 1053/1 Phaholyothin Road, Samsennai, 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 2014 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](http://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 2014, 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 2014, 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 directors and executives attended the meeting, 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](http://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](http://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](http://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 Board of Directors will consider those qualified persons to propose in the Annual General Meeting of Shareholders for the resolution. However, if the Board of 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](mailto: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](mailto: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 creditors 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, the Board of Directors or executive director for improvement by

- 1) The appeal from shareholder will be process to the audit committee or the Board of Directors 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 the Board of Directors later.
- 3) The appeal from creditor will be process to executive director to consider whether to submit appeal for the Board of Directors 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, annual filing (Form 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](http://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 report.

Record of the Director's attendance at meetings in 2014

No.	Name	Attendance/Meeting
1.	Mr. Sanit Vorapunya	5/5
2.	Mr. Sutham Malila	5/5
3.	Ms. Nongram Laohaareedilok	4/5
4.	Mr. Pongchai Amatanon	5/5
5.	Mrs. Rangsee Lertripinyo	5/5
6.	Mr. Kaelic Amatanon	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 2014

No.	Name	Attendance/Meeting
1.	Mr. Sanit Vorapanya	5/5
2.	Mr. Sutham Malila	5/5
3.	Ms. Nongram Laohaareedilok	4/5

## 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 filing (Form 56-1).

#### Sub-committees

The Company has established 2 sub-committees; the Board of Executive Directors and the Audit Committee. The qualification and duty of these sub-committees have been 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 to retain the advantage of stakeholders, reliability and sustainable growth of the Company.

#### 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 and Executives

The remuneration of the Directors criteria does not execute through the Remuneration Committee as the Company has not established the Remuneration Committee. However, determination of remuneration for the Board of Directors 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 the Annual General Meetings of Shareholders.

#### 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 of Directors 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 of Directors 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 the Company's 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.

## Prevention of the involvement in corruption

### Prevention of the involvement in corruption policy

The Board of Directors recognise that conducting business with integrity, an ideology of anti-corruption of all forms is a basis that would lead to the success of the business and strengthen the organization for sustainable growth. Therefore, to express the unwavering of the business practices on unaffiliated with fraud and corruption, in the Board of Directors' Meeting No. 1/2015, there was resolution to approve the anti-corruption policy by defining responsibilities, practices and requirements for appropriate action. The Company has written "Anti-corrupt policy" and clarified the understanding and communication of their standard practice to directors, management, and employees of the Company and its subsidiaries to be clear guidelines. In addition, for anti-corruption to be conducted in accordance with the change of the business, regulatory and legal requirements, the Board of Directors will monitor and review the policy by delegated to the Corporate Secretary to report the results of monitoring and appropriate evaluation of the policy at least annually.

The Company has disclosed the anti-corruption policy in the annual filing (Form 56-1).



## Corporate Social Responsibility

### Corporate Social Responsibility Policy

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 2014

- Blood donation to Faculty of medicine at Siriraj hospital
- Money and stationery donation to schools and communities nearby the factory
- Lend candle offering to Nyannavesakavan temple



## 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.1/2015, held on 19 February 2015 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, which is the Company's auditor for 2014, 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 in 2014, the internal auditor has evaluated collection system from agents and individuals. 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. In the audit of internal control system for 2014, the internal auditor concluded that there was no material deficiency in the internal control system.

Audit Committee report has shown on the 2014 Annual Report and the Appendix of the annual filing (Form 56-1).

### Information about internal audit unit

The Company has established an internal audit department in November 2014, by the Board of Directors has assigned Mr. Chatchavin Pipatchotitham, Executive Vice President, to be in charge as head of internal audit department (Act). This is because he has a deep understanding of the business with external audit experience for more than 10 years. On 19 February 2015, the Audit Committee has assigned Ms.Kanyarinnut Kantananun, internal audit manager, to perform the internal audit process. The internal auditor is responsible for evaluating the effectiveness and adequacy of internal control and monitoring the performance of the organization as well as its affiliates.

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 annual filing (Form 56-1).



## Connected transactions

During 2014, the Company and its subsidiaries entered into inter-company transactions with related companies or persons that may cause conflict of interest. These businesses may be related by being the shareholder or having common shareholder or common director, details of which are disclosed in Notes to the financial statements. Details of significant inter-company transactions during the year ended 31 December 2014 and 2013 can be summarized in the table below:

Type of transaction	Related company/person	Relationship				Transaction value (Million Baht)	
		Associate	Major shareholder	Director/ Close person of director	Common shareholders/ common directors	2014	2013
<b>Expense</b>							
Purchase of goods/services	Forth Tracking System Co., Ltd.	X			X	0.41	9.63
	FPT Payment Technology Joint Stock	X					
	Forth Meter Co., Ltd.	X			X		
Rental expense	Mr. Pongchai Amatanon		X	X		1.17	1.38
	Mrs. Rangsee Lertripinyo			X			
	Mrs. Punnee Siripongpreeda			X			
Administrative expenses	Forth Tracking System Co., Ltd.	X			X	0.50	1.46
	Forth Meter Co., Ltd.	X			X		
<b>Revenue</b>							
Sale of goods/ services	Forth Tracking System Co., Ltd.	X			X	6.63	17.61
	Forth Meter Co., Ltd.	X			X		
	Mindmap Comtech Inc.	X					
Rental income	Forth Meter Co., Ltd.	X			X	0.62	0.72
Interest income	Forth Meter Co., Ltd.	X			X	0.68	0.65
Other income	Forth Meter Co., Ltd.	X			X	0.79	1.59

### The necessity and reasonableness of the transactions

#### 1. Normal business transaction

**Purchase of goods/services** The policy for purchase of goods or services from the related parties is the same as those for general partners. Prices are negotiated with a view to achieving the reasonable gross profit margin and competitiveness.

**Sale of goods/services** The policy for sale of goods or services to the related parties is same as those of general partner. Prices are negotiated with a view to achieving the reasonable gross profit margin and competitiveness.

## 2. Supporting normal business transaction

**Rental expense** This expense was incurred from land and building rental, used for business place of the Company and its subsidiaries from connected persons. The price is set in accordance with market price and/or acquisition cost plus related expenses with the justified condition and reason.

**Rental income** This income was derived from building rental, used for business place of an associate from the Company. The price is set in accordance with market price and/or acquisition cost plus related expenses with the justified condition and reason.

**Other income** The policy for sale of goods or services to the related parties is same as those of unrelated parties. Prices are negotiated with a view to achieving the reasonable price and condition.

**Administrative expenses** The policy for purchase of goods or services from the related parties is same as those of unrelated parties. Prices are negotiated with a view to achieve the reasonable price and condition.

## 3. Transaction regarding offer or receipt of financial of financial assistance

**Interest income** The Company has policy to determine interest rate of loan granted to an associate by refer to interest rate of the Company's loans which obtained from the financial institutions.

## Management discussion and analysis of financial position and operating results

### Overall operating performance of the Group

Unit: Million Baht

	2014	2013	Increase (decrease)	Variance (%)
Total revenue	4,377	4,520	(143)	(3%)
Net profit	338	254	84	33%

The Group had total revenue of Baht 4,377 million for 2014, which decreased by Baht 143 million or 3% compared to the total revenue of Baht 4,520 million for 2013. The decreasing was mainly due to the lower revenue from Electronics manufacturing services business and Telecommunication business.

In 2014, the Group had net profit of Baht 338 million, which increased by Baht 84 million or 33% compared to the net profit of Baht 254 million for 2013. The increase was mainly due to the increasing of gross profit.

### Analysis of revenues

	2014		2013		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from main business						
Electronics manufacturing services business	1,266	29%	1,628	36%	(362)	(22%)
Telecommunication business	917	21%	515	11%	402	78%
Related technology business	990	23%	1,525	34%	(535)	(35%)
Retail business	1,104	25%	803	18%	301	37%
Total revenue from main business	4,277	98%	4,471	99%	(194)	(4%)
Other income	100	2%	49	1%	51	104%
Total revenue	4,377	100%	4,520	100%	(143)	(3%)

### EMS business

In 2014, the Company generated revenue of Baht 1,266 million from EMS business, which decreased by Baht 362 million comparing to those of the prior year. It has been resulted from the cease of hard disk drive production for Western Digital (Thailand) Co., Ltd since the end of July 2013. In 2013, the revenue from Western Digital (Thailand) Co., Ltd was Baht 596 million.

The Company still can keep the level of the sale and gross profit of the electronic parts closely to the one from the previous year.

### Telecommunication business

In 2014, the Company generated revenue of Baht 917 million from Telecommunication business, which increased by Baht 402 million comparing to those of the prior year. It has been resulted from revenue recognition from DWDM (Dense Wavelength Division Multiplexing) project and IP Core Network with the Provincial Electricity Authority, with the project value of Baht 470 million, the procurement project of Wireless High Speed Internet of CAT Telecom Public Company Limited, with the contract value of Baht 50 million and the purchasing of Automatic Meter Reading system (AMR) including installation project with the Metropolitan Electricity Authority, with the project value of Baht 189 million.

### Related technology business

In 2014, the Company generated revenues of Baht 990 million from Related technology business, which decreased by Baht 535 million comparing to those of the prior year. The decrease was caused by the revenue recognition of Baht 1,010 million from the equipment and system installation projects for closed circuit television to support the Traffic and Transportation Department in 2013. In 2014, the Company has recognised the revenue from the purchase agreement of information technology system and network for computer center including a disaster recovery site with the Metropolitan Electricity Authority, with the project value of Baht 169 million (the Company's portion) and the revenue recognition of Baht 222 million from the purchase of SAP licenses with the Metropolitan Electricity Authority.

### Retail business

In 2014, the Company generated revenue of Baht 1,104 million from Retail business, which increased by Baht 301 million comparing to those of the prior year. The top up value through "Boonterm Kiosk" during 2014 was Baht 10,550 million, which increased by Baht 3,164 million or 43% comparing to those of the prior year. As of 31 December 2014, the numbers of "Boonterm Kiosk" was 42,859 kiosks.

### Gross Profit and Gross Profit Margin

	2014		2013		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Electronics manufacturing services business	279	22%	234	14%	45	19%
Telecommunication business	212	23%	151	29%	61	40%
Related technology business	368	37%	388	25%	(20)	(5%)
Retail business	343	31%	265	33%	78	29%
Gross Profit	1,202	28%	1,038	23%	164	16%

### EMS business

In 2014, the Company had gross profit of Baht 279 million from EMS business, which increased by Baht 45 million or 19% comparing to the gross profit of Baht 234 million for 2013. In 2014, the gross profit margin was 22%, increased from 14% in 2013. It was primarily due to the cease of hard disk drive production for Western Digital (Thailand) Co., Ltd which generated the low gross profit margin.

### Telecommunication business

In 2014, the Company had gross profit of Baht 212 million from Telecommunication business, which increased by Baht 61 million or 40% comparing to the gross profit of Baht 151 million for 2013. In 2014, the gross profit margin was 23%, decreased from 29% in 2013. It was primarily due to the projects incurred in 2014 generated lower gross profit margin than those of 2013.

### Related technology business

In 2014, the Company had gross profit of Baht 368 million from Related technology business, which decreased by Baht 20 million or 5% comparing to the gross profit of Baht 388 million for 2013. In 2014, the gross profit margin was 37%, increased from 25% in 2013. It was primarily due to the projects incurred in 2014 generated higher gross profit margin than those of 2013.

### Retail business

In 2014, the Company had gross profit of Baht 343 million from Retail business, which increased by Baht 78 million or 29% comparing to the gross profit of Baht 265 million for 2013. In 2014, the gross profit margin was 33%, in line with the gross profit margin in 2013.

### Expenses

Unit: Million Baht

	2014	2013	Increase (decrease)	% Variance
Selling expenses	101	89	12	12
Administrative expenses	656	565	91	91
Finance cost	92	89	3	3
Income tax expenses	46	54	(8)	(8)

### Selling expenses

In 2014, the Company had the selling expense of Baht 101 million which increased by Baht 12 million or 13% from the same period of last year. This was mainly resulted from the marketing and sales promotion expenses of Forth Smart Service Public Co. Ltd. ("FSMART").

### Administrative expenses

In 2014, the Company had the administrative expenses of Baht 656 million which increased by Baht 91 million or 16% from the same period of last year. This was primarily due to the expense from being a listed company of Forth Smart Service Public Co. Ltd. ("FSMART"), the operating expenses from projects and allowance for doubtful debts.

### Income tax expenses

In 2014, the Company had the income tax expenses of Baht 46 million which decreased by Baht 8 million or 15% from the same period of last year. This was due to the reversal of temporary differences from deferred tax.

### Financial position

#### Assets

Unit: Million Baht

	31 December 2014	31 December 2013	Increase (decrease)	% Variance
Current assets	4,576	3,377	cz	36%
Non-current assets	1,746	1,259	487	39%
Total assets	6,322	4,636	1,686	36%

As of 31 December 2014, the Group's total assets was Baht 6,322 million, increased by Baht 1,686 million, or 36% from the same period of last year. The increase was primarily due to the increasing of current investments, which Forth Smart Service Public Co. Ltd ("FSMART") rising from IPO, the higher of account receivables and inventory from more projects. The higher of non-current assets was mainly due to the increasing of "Boonterm Kiosk".

### The quality of assets

#### Trade account receivables

Unit: Million Baht

	Consolidated financial statements	
	31 December 2014	31 December 2013
Trade account receivables – unrelated parties	1,290	1,030
Less: Allowance for doubtful accounts	(63)	(42)
Trade account receivables - net	1,087	988

As of 31 December 2014 and 31 December 2013, the Group recorded the allowance of doubtful accounts, amounting to Baht 63 million and Baht 42 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 2014	31 December 2013
Inventories	1,308	843
Reduce cost to net realisable value	(201)	(165)
Inventories - net	1,107	678

As of 31 December 2014 and 31 December 2013, the Group recorded the reduce cost to net realisable value amounting to Baht 201 million and Baht 165 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 period 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.

## Source of fund

Unit: Million Baht

	31 December 2014	31 December 2013	Increase (decrease)	% Variance
Current liabilities	3,669	2,677	992	37%
Non-current liabilities	358	255	103	40%
Total liabilities	4,027	2,932	1,095	37%
Total shareholders' equity	2,295	1,704	591	35%

### Liabilities

As of 31 December 2014, the Group's liabilities were Baht 4,027 million, which increased by Baht 1,095 million. It was mainly due to the increase of bank overdrafts, account payables and long-term loans. The Group could repay loan in accordance with the repayment schedule stipulated in the loan agreements.

### Shareholders' equity

As of 31 December 2014, the Group's shareholders' equity was Baht 2,295 million, which increased by Baht 591 million. The increased amount was resulted from the proceeds from increase in share capital from non-controlling interests of being a listed company of Forth Smart Service Public Co. Ltd ("FSMART"), the net profit of Baht 399 million and the dividend paid to the shareholders of Baht 288 million.

### The appropriate of capital structure

The Group's debt to equity ratio as of 31 December 2014 was 1.8:1 which increased from the ratio as of 31 December 2013 at rate of 1.7:1 as the result of the increase of bank overdrafts, account payable and long-term loans.

### Liquidity

### Cash flows

Unit: Million Baht

	2014	2013
Cash flows from (used in) operating activities	366	483
Cash flows from (used in) investing activities	(892)	(324)
Cash flows from (used in) financing activities	518	(174)

Cash flows from operating activities for 2014 were Baht 366 million which decreased by Baht 117 million. It was resulted from the declining of collection of outstanding debts from the projects and purchasing of raw materials and goods production for sale.

Cash flows used in investing activities for 2014 were Baht 892 million. The majority of cash flows used in investing activities were the increasing of current investments and the acquisition of assets i.e. top-up kiosk of Forth Smart Service Public Co. Ltd. ("FSMART").

Cash flows from financing activities for 2014 were Baht 518 million. It was mainly comprised of the dividend payment of Baht 288 million, the repayment of long-term loans of Baht 312 million and cash received from bank overdrafts, short-term loans and long-term loans of Baht 631 million as well as the proceeds from increase in share capital from non-controlling interests of Forth Smart Service Public Co. Ltd. ("FSMART") of Baht 500 million.

### **Liquidity ratios**

The ratio of the current assets and current liabilities as of 31 December 2014 was 1.2:1 which was slightly decreased from the ratio as of 31 December 2013, which was 1.3:1. This was the result of the changing rate in current assets to current liabilities related in the same direction and also similar proportion.





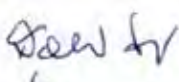
## Report of the Audit Committee

The Audit Committee, appointed by the Company's Board of Directors, consists of three 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 2014, the Audit Committee had held five meetings with all three Audit Committee members attended all the five 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 2014 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 2014.
6. To conduct a self-assessment for 2014, 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.

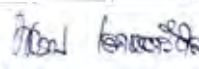
According to the financial statements for the year ending 31 December 2015, the Audit Committee has proposed for appointing EY Office Limited to pursue the Company's auditors same as the prior year since it is a reputable auditing firm and also is recognised best practice on auditing standards widely accepted. The appointment of the Company's auditor will be proposed to the Annual General Meeting of Shareholders for 2015 which will be held in April 2015 for next approval.



(Mr. Sutham Malila)  
Chairman of Audit  
Committee



(Mr. Sanit Vorapunya)  
Audit Committee



(Ms. 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 2014, 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 Amatanon)  
Chief 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 2014, 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 controls 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 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Waraporn Prapasakul

Certified Public Accountant (Thailand) No. 4570

EY Office Limited

Bangkok 19 February 2015

## Forth Corporation Public Company Limited and its subsidiaries

### Statement of financial position

As at 31 December 2014

USD million

	Note	Forth Corporation and its subsidiaries			Forth Corporation Public Company Limited	
		31 December 2014	31 December 2013	31 December 2012	31 December 2014	31 December 2013
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents		1,192,412	1,242,448	2,112,644	1,671,141	2,127,146
Accounts receivable		25,441	25,441	—	—	—
Prepaid expenses	24	1,426,155	1,187,544	1,233,641	611,212	2,443,217
Income tax receivable	2	—	1,111,477	1,111,477	2,181,156	1,643,141
Other receivables		1,056,411	1,187,544	60,111	1,135,152	1,224,112
Inventory	3	1,112,045	1,187,544	1,112,045	1,224,112	1,112,045
Operating lease assets		212,012	212,012	212,012	1,112,012	1,224,112
<b>Total current assets</b>		<b>4,112,012</b>	<b>4,112,012</b>	<b>4,112,012</b>	<b>4,112,012</b>	<b>4,112,012</b>
<b>Non-current assets</b>						
Investments in deposits	17	1,112,012	1,112,012	1,112,012	—	—
Investments in subsidiaries	18	—	—	—	1,112,012	1,112,012
Investments in associates	19	1,112,012	1,112,012	1,112,012	1,112,012	1,112,012
Property, plant and equipment	20	1,112,012	1,112,012	1,112,012	1,112,012	1,112,012
Intangible assets	21	1,112,012	1,112,012	1,112,012	1,112,012	1,112,012
Deferred tax		1,112,012	1,112,012	1,112,012	1,112,012	1,112,012
Other non-current assets		1,112,012	1,112,012	1,112,012	1,112,012	1,112,012
<b>Total non-current assets</b>		<b>4,112,012</b>	<b>4,112,012</b>	<b>4,112,012</b>	<b>4,112,012</b>	<b>4,112,012</b>
<b>Total Assets</b>		<b>8,224,024</b>	<b>8,224,024</b>	<b>8,224,024</b>	<b>8,224,024</b>	<b>8,224,024</b>

The accompanying notes are an integral part of this statement of financial position.

## Forth Corporation Public Company Limited and its subsidiaries

### Statement of financial position (Continued)

As at 31 December 2014

in £'000

Notes	31 December 2014			31 December 2013	
	Group	Subsidiaries	Parent	Group	Parent
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables (excluding provisions)					
15	1,328,291	1,120,811	1,780,174	1,207,017	2,547,274
21	1,102,314	693,643	1,044,979	1,093,476	1,229,812
17	245,817	2,743,914	3,252,116	1,940,111	1,481,434
	12,751,472	4,160,961	1,127,522	1,107,377	1,410,411
	11,807,894	8,719,329	2,975,792	4,347,981	4,278,938
<b>Total current liabilities</b>	<b>2,828,194</b>	<b>2,678,758</b>	<b>2,975,503</b>	<b>7,695,961</b>	<b>2,717,876</b>
<b>Non-current liabilities</b>					
17	1,131,246	2,114,211	457,114	2,667,754	1,421,487
14	1,419,164	14,121,621	1,161,122	17,286,211	15,827,114
<b>Total non-current liabilities</b>	<b>2,550,410</b>	<b>6,235,832</b>	<b>1,618,236</b>	<b>9,953,965</b>	<b>17,248,601</b>
<b>Total liabilities</b>	<b>5,378,604</b>	<b>8,914,590</b>	<b>4,593,739</b>	<b>17,649,926</b>	<b>19,966,477</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
<b>Authorized</b>					
	250,000	250,000	250,000	250,000	250,000
	—	—	—	—	—
<b>Called up but not fully paid up (2014) or issued (2013) shares</b>					
	3,329,112	3,329,112	3,329,112	3,329,112	3,329,112
	3,281,112	3,281,112	3,281,112	3,281,112	3,281,112
<b>Reserves</b>					
16	46,113	16,113	46,113	46,113	46,113
	1,662,112	1,662,112	1,662,112	1,662,112	1,662,112
	1,121,112	1,121,112	1,121,112	1,121,112	1,121,112
	1,241,112	1,241,112	1,241,112	1,241,112	1,241,112
	1,562,112	1,562,112	1,562,112	1,562,112	1,562,112
<b>Total shareholders' equity</b>	<b>11,918,112</b>	<b>12,118,112</b>	<b>12,118,112</b>	<b>14,953,965</b>	<b>17,248,601</b>
<b>Total liabilities and shareholders' equity</b>	<b>17,296,716</b>	<b>21,032,702</b>	<b>16,711,851</b>	<b>32,603,891</b>	<b>37,215,078</b>

The accompanying notes form an integral part of these financial statements.

## Forth Corporation Public Company Limited and its subsidiaries

### Statement of comprehensive income

for the ended 31 December 2014

	2014		2013	
	£ million	€ million	£ million	€ million
<b>Profit or loss</b>				
<b>Revenues</b>				
Sales	1,564,471,948	1,242,771,438	1,222,551,427	1,525,224,877
Licences	1,474,047,646	1,175,642,276	1,122,555,432	1,327,194,175
Rental and other profit share	198,122,175	1,275,128,125	41,127,127	1,122,555
Other revenue				
Disposal proceeds			14,255,111	14,255,111
Other	192,219,115	432,621,125	41,436,424	1,225,227
<b>Total revenues</b>	<b>3,427,868,884</b>	<b>3,136,162,964</b>	<b>2,441,669,411</b>	<b>2,859,721,865</b>
<b>Expenses</b>				
Cost of sales	1,524,331,968	1,177,632,217	1,122,555,432	1,525,224,877
Selling expenses	168,511,114	122,111,465	1,225,125	122,111,465
Marketing expenses	229,121,115	1,122,555,125	11,122,555	1,122,555
Development	17,411,115	2,122,125	1,122,555	2,122,125
Administrative expenses	167,111,115	122,122,125	1,122,555	1,122,125
Other	1,122,125	1,122,125	1,122,125	1,122,125
Impairment and loss of disposal from associate (impairment)	121,122,125			
Other	1,122,125			
<b>Total expenses</b>	<b>3,441,734,812</b>	<b>3,525,666,125</b>	<b>3,143,221,125</b>	<b>3,781,411,125</b>
<b>Profit before share of profit (loss) from investments in associates, finance cost and income tax expense</b>	<b>66,134,072</b>	<b>(389,499,161)</b>	<b>308,448,284</b>	<b>(921,689,260)</b>
Share of profit (loss) from investments in associates	121,122,125	1,122,125		
<b>Profit before finance cost and income tax expense</b>	<b>187,256,197</b>	<b>(388,377,036)</b>	<b>308,448,284</b>	<b>(921,689,260)</b>
Finance cost	(1,122,125)	(1,122,125)	(1,122,125)	(1,122,125)
<b>Profit before income tax expense</b>	<b>186,134,072</b>	<b>(389,499,161)</b>	<b>307,326,159</b>	<b>(922,811,385)</b>
Income tax expense	(1,122,125)	(1,122,125)	(1,122,125)	(1,122,125)
<b>Profit for the year</b>	<b>185,011,947</b>	<b>(390,621,286)</b>	<b>306,204,034</b>	<b>(923,933,510)</b>
<b>Other comprehensive income</b>				
Actuarial gains	1,122,125		1,122,125	
Currency	1,122,125		1,122,125	
<b>Other comprehensive income for the year</b>	<b>2,244,250</b>		<b>2,244,250</b>	
<b>Total comprehensive income for the year</b>	<b>187,256,197</b>	<b>(390,621,286)</b>	<b>308,448,284</b>	<b>(923,933,510)</b>

The year ends on the last day of the month of the financial year.

## Forth Corporation Public Company Limited and its subsidiaries

### Statement of comprehensive income (Continued)

for the ended 31 December 2014

	£ million			
	Group Consolidated Income Statements		Separate Income Statements	
	2014	2013	2014	2013
		2013		
<b>Profit attributable to:</b>				
Equity holders of the Company	1,170,134	1,544,774,427	464,124,276	1,242,147,914
Non-controlling interests of the group	(1,049,511)	(1,742,111)		
	<u>120,623</u>	<u>802,663</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	1,170,134	1,543,032,316	464,124,276	1,242,147,914
Non-controlling interests of the group	(1,049,511)	(1,742,369)		
	<u>120,623</u>	<u>800,663</u>		
<b>Basic earnings per share</b>	(p)			
Profit attributable to equity holders of the Company	3.75	2.27	1.51	2.18

\*The group may not fully represent the total of the group's components.

**Forth Corporation Public Company Limited and its subsidiaries**

**Statement of Changes in shareholders' equity**

for the year ended 31 December 2014

	2014	2013
Share capital	1,000,000,000	1,000,000,000
Reserves	1,000,000,000	1,000,000,000
Retained earnings	1,000,000,000	1,000,000,000
Other reserves	1,000,000,000	1,000,000,000
Total	4,000,000,000	4,000,000,000

For further information, please refer to the financial statements on pages 100 to 110.



**Forth Corporation Public Company Limited and its subsidiaries**

**Statement of Changes in shareholders' equity (Continued)**

for the year ended 31 December 2014

THB

	Shareholders' equity			
	Shareholders' equity	Reserves	Minority interest	Total
Balance at 1 January 2013	48,700,000	82,037,000	6,000,000	136,737,000
Profit for the year	-	-	-	11,724,000
Dividends and distributions	-	-	-	(11,724,000)
Share issues	-	-	-	28,480,000
Balance at 31 December 2013	48,700,000	82,037,000	6,000,000	136,737,000
Balance at 1 January 2014	48,700,000	82,037,000	6,000,000	136,737,000
Profit for the year	-	-	-	48,424,000
Dividends and distributions	-	-	-	(1,074,000)
Share issues	-	-	-	28,780,000
Balance at 31 December 2014	48,700,000	82,037,000	6,000,000	136,737,000

The above information represents the consolidated financial statements

## Forth Corporation Public Company Limited and its subsidiaries

### Cash flow statement

for the year ended 31 December 2014

	2014		2013	
	US\$ million	US\$ million	US\$ million	US\$ million
		Revised		
<b>Cash flows from operating activities</b>				
Profit before tax	247,373.3	245,322.6	217,654.6	197,422.4
Adjustments to arrive at cash flows from operating activities				
Depreciation	162,553.2	153,262.6	207,776.6	207,229.6
Amortisation of intangible assets	25,461.7	24,717.7	3,272.1	22,399
Write back of equity of subsidiary	1,134.7	1,134.7	1,134.7	1,437.6
Write back of gains	128,421	1,134.7	-	-
Write back of impairment	4,777	-	-	-
Dividends received	1,112.4	2,997.2	257.1	1,175
Gain on disposal	11,529	1,215.6	233.6	1,532
Write back of equity of subsidiary	27	27	-	-
Recovery of impairment loss on other financial assets	57,958.2	1,134.7	3,934.6	11,175.6
Expense for foreign exchange	34,411	1,134.7	-	-
Gain from impairment loss on other financial assets	-	-	3,471	-
Write back of impairment loss on other financial assets	-	-	-	11,217.6
Income tax expense	11,125.6	10,923.1	10,237.1	11,217.6
Expense for other taxes	21,117	11,134.6	11,237	11,217.6
Recovery of impairment loss on other financial assets	24,154.6	-	-	-
Write back of impairment loss on other financial assets	5,521.6	-	-	-
Share loss of subsidiary	1,134.7	1,134.7	-	-
Write back of equity of subsidiary	24,154.6	6,222.1	1,222.1	1,222.1
Dividend income	1,134.7	-	1,222.1	1,222.1
Income tax expense for other financial assets	1,134.7	1,134.7	1,222.1	1,134.7
Other income	1,134.7	1,134.7	1,222.1	1,134.7
<b>Profit from operations</b>	462,122.2	462,122.2	462,122.2	462,122.2
Change in assets and liabilities				
Trade receivables	1,134.7	1,134.7	1,134.7	1,134.7
Prepaid expenses	1,134.7	1,134.7	1,134.7	1,134.7
Accounts payable	1,134.7	1,134.7	1,134.7	1,134.7
Other assets	1,134.7	1,134.7	1,134.7	1,134.7
Other liabilities	1,134.7	1,134.7	1,134.7	1,134.7
<b>Cash flows from operating activities</b>	462,122.2	462,122.2	462,122.2	462,122.2
<b>Change in cash and cash equivalents</b>	462,122.2	462,122.2	462,122.2	462,122.2
Change in cash and cash equivalents	462,122.2	462,122.2	462,122.2	462,122.2
Change in cash and cash equivalents	462,122.2	462,122.2	462,122.2	462,122.2
Change in cash and cash equivalents	462,122.2	462,122.2	462,122.2	462,122.2
<b>Net cash flows from operating activities</b>	462,122.2	462,122.2	462,122.2	462,122.2

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 2014

	Year ended 31 December 2014		Year ended 31 December 2013	
	2014	2013	2014	2013
		RMB'000		
<b>Cash flows from investing activities</b>				
Decrease in cash and cash equivalents	(1,056,375)	(1,027,234)		
Increase in cash equivalents	95,111,111			
Excess from buying and selling plant and equipment	(7,941,274)	(9,001,273)	(4,486,799)	(4,276,627)
Amount of proceeds from disposal of plant and equipment	(1,646,134)	(1,924,521)	(2,520,102)	(1,210,754)
Amount of proceeds from disposal	(2,547,864)	(1,124,299)	(1,282,174)	(1,196,714)
Significant amount of proceeds		(1,241,229)	-	(2,487,784)
Increase in cash equivalents from disposal	(4,072,505)	(2,387,757)	(1,273,533)	(4,984,567)
Cash received from disposal of financial assets and debt securities		(5,171,111)	(21,117,121)	(2,812,111)
Excess from buying and selling financial assets	(6,786,237)	(4,273,152)	(18,271,111)	(14,024,152)
Cash received from acquisition of subsidiaries and businesses (by the Group)	(1,508,862)			
Net cash flows from investing activities	(11,870,471)	(18,386,417)	(24,559,627)	(22,399,954)
<b>Cash flows from financing activities</b>				
Decrease in cash and cash equivalents	(1,056,375)	(1,027,234)		
Increase in cash equivalents	(55,026,217)	(14,174,121)	(17,182,212)	(1,271,111)
Cash received from long-term loans	(2,817,124)	(48,957,127)	(2,041,111)	(12,100,127)
Proceeds from long-term loans	(1,171,124)	(48,155,127)	(1,171,124)	(12,100,127)
Dividend received	(2,646,000)	(2,782,000)	(288,987)	(1,000,000)
Proceeds from issuing long-term equity				
Increase in cash equivalents				
Cash received from issuing equity	(4,375,094)	(2,775,111)	-	-
Long-term deposits and other financial instruments				
Increase in cash equivalents	(1,152,124)			
Net cash flows from issued financing activities	(17,178,211)	(57,914,427)	(18,472,212)	(13,271,127)
<b>Net increase (decrease) in cash and cash equivalents</b>	(4,125,211)	(71,742,111)	(44,031,111)	(35,671,111)
Cash and cash equivalents at beginning of year	(1,211,111)	(1,211,111)	(1,211,111)	(1,211,111)
<b>Cash and cash equivalents at end of year</b>	(5,336,322)	(12,953,222)	(5,242,222)	(6,882,222)
<b>Supplemental disclosures of cash flows information</b>				
Non-cash transactions				
Purchase of property, plant and equipment				
which have not yet been paid	(5,211,111)		(5,211,111)	
acquisition of subsidiaries and businesses	(1,508,862)		(1,508,862)	

The above paragraph does not present a part of the financial statements.

## Forth Corporation Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

for the year ended 31 December 2014

#### 1. General 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 instal telecommunication equipment. The registered office of the Company is at 1053/1, Phaholyothin Road, Samsornrai Phayathai, Bangkok. The factory of the Company is at 17 Moo 11, Phudamonthon 3 Road, Rakkong, Sampran, Nakornprathom.

#### 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 is specified in the accounting policies.

## 22 Subsidiary Information

The consolidated financial statements include the financial statements of Fort Corporation Public Company Limited, the Company, and the following subsidiaries. The subsidiaries are consolidated in the consolidated financial statements of the Company.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Registered office
			2014	2013	
Electronic Source Co., Ltd.	Trading of electronic parts	Thailand	100	100	50,000
Genus Traffic System Co., Ltd.	Sales and installation of electronic and traffic systems	Thailand	100	100	50,000
Fort Traffic Service	Consulting for traffic management	Thailand	100	100	10,000
Fort Smart Service Co., Ltd.	Payment service using mobile payment	Thailand	50	50	500,000
Fort Consulting Co., Ltd.	Consulting services for information management, computer system management	Thailand	100	100	10,000
Fort A-Link Co., Ltd.	Water supply business	Thailand	50	50	1,000
Fort Utility Co., Ltd.	Manufacture and distribution of electrical fittings and equipment	Thailand	100	100	3,000
Fort New Co., Ltd.	Distribution of electronic parts	Thailand	50	50	40,000

\* 2014 refers to the Company and 2013 refers to Genus Traffic System Co., Ltd.

• December 31st of the Company includes primary financial statements of Fort New Company Limited. As a result, the Company's equity, assets and liabilities are not included in the consolidated financial statements of the Company. The Company's financial statements for 2014 and 2013, and its status has changed from an associate to a subsidiary, as disclosed in Note 11 of the financial statements. The Company's financial statements are included in the consolidated financial statements for 1 December 2014.

- 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 with a 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 other components of equity in the consolidated statement of changes in shareholders' equity 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 financial reporting standards

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

#### (a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting standards:

IAS 1 (revised 2012)	Presentation of Financial Statements
IAS 7 (revised 2012)	Statement of Cash Flows
IAS 12 (revised 2012)	Income Taxes
IAS 17 (revised 2012)	Leases
IAS 18 (revised 2012)	Revenue
IAS 19 (revised 2012)	Employee Benefits
IAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
IAS 24 (revised 2012)	Related Party Disclosures
IAS 26 (revised 2012)	Investments in Associates
IAS 31 (revised 2012)	Interests in Joint Ventures
IAS 34 (revised 2012)	Interim Financial Reporting
IAS 36 (revised 2012)	Impairment of Assets
IAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standard:

FRS 2 (revised 2012)	Share-based Payment
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TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
<b>Accounting Standard Interpretations:</b>	
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements - Disclosures
TSIC 32	Intangible Assets - Web Site Costs
<b>Financial Reporting Standard Interpretations:</b>	
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
<b>Accounting Treatment Guidance for Stock Dividend</b>	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

**(b) Financial reporting standards that will become effective in the future**

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below.

**TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognised actuarial gains and losses immediately in other comprehensive income.

**IFRS 10 Consolidated Financial Statements**

IFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in IAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights or is exposed to variable returns from its involvement with the investee and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

**IFRS 11 Joint Arrangements**

IFRS 11 supersedes IAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while IAS 31 allows the entity to apply either the proportional consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any impact on the Company and its subsidiaries' financial statements.

**IFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.



#### TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

#### 4. Cumulative effect of the change in accounting policy

During the second quarter of 2014, a subsidiary considered to recognise revenue for unsuccessful money top-up transactions which had not been recorded in the past because the management of the subsidiary believes that such revenue recognition reflects the period in which customers do not claim the refund and is consistent with the legal counsel's opinion that it does not breach related laws, as well as is consistent with the revenue recognition of revenue from customers' credit top up. In this regard, the subsidiary changed its accounting policy with respect to revenue recognition to recognise revenue when customers do not claim for the refund for more than 1 year. The management of the subsidiary believes that the change of accounting policy is more appropriate since it is consistent with the period in which customers do not claim refunds and the legal implications. The cumulative effect of the change in the accounting policy 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		
	31 December 2014	31 December 2013	1 January 2013
<b>Statement of financial position</b>			
Increase in corporate income tax payable	3,729	1,790	-
Decrease in other current liabilities	18,695	8,949	-
Increase in unappropriated retained earnings	8,267	4,367	-
Increase in non-controlling interests of the subsidiary	6,689	2,792	-

(Unit: Thousand Baht)

## Consolidated financial statements

For the years ended 31 December

2014

2013

**Statement of comprehensive income****Profit or loss:**

Increase in other income:	18,695	8,949
Increase in income tax expense:	3,739	1,790
Increase in profit attributable to non-controlling interest of the subsidiary	6,869	2,732
Increase in profit attributable to equity holders of the Company	8,207	4,367
Increase in basic earnings per share (Baht)	0.009	0.005

**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 recognises fee income from rendering of top-up service for prepaid phone and receipt of 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 telephonic 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.

#### Other income

Other income comprised interest income, insurance received on online top-up machines, revenue from customers' credit top-ups, unsuccessful money top-ups and other income.

Interest income is recognised on an accrual basis based on the effective interest rate.

Income from insurance received on online top-up machines is insurance that the subsidiary receives from service representatives. The insurance received is recognised as income based on period.

Revenue from customers' credit top-ups is the amount of credit that the online top-up machines retain from customers because the machines are unable to give change. The revenue from customers' credit top-ups is recognised as income when customers' credit has remained unused for a period of more than 1 year.

Revenue from unsuccessful money top-ups is amount of credit that were not able to be added in accordance with customer orders. The revenue is recognised when the customer has not claimed a refund for more than 1 year.

#### 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. A 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. The cost of inventories is measured using the standard cost method, which approximates actual cost and 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 jointly 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 labour 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.

Actuarial gains and losses arising from past - employment benefits are recognised immediately in other comprehensive income.

## 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 in 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 judgments and estimates affect reported amounts and disclosures, and actual results could differ from those 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 realized 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.

**7. Related party transactions**

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized 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)			
		Consolidated		Separate	
Transfer pricing policy		financial statements		financial statements	
		2014	2013	2014	2013
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Purchases of raw materials	Compared to market price	-	-	109	106
Sales of goods	Compared to market price	-	-	352	326
Service income	Agreed price	-	-	2	2
Other income	Agreed price	-	-	7	4
Interest income	Interest at 3.50 - 5.00% per annum	-	-	-	6
Rent income	Agreed price	-	-	7	3
Selling and administrative expenses	Agreed price	-	-	2	2
Service expenses	Agreed price	-	-	-	8



	<u>Transfer pricing policy</u>	(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Transactions with associates</u>					
Purchases of raw materials	Compared to market price	-	9	-	9
Sales of goods	Compared to market price	7	18	5	16
Other income	Agreed price	1	2	1	1
Interest income	Interest at 5.00% per annum	1	1	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 2014 and 2013 between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	182,169	276,638
Associates	8,528	11,469	6,251	11,872
<b>Total</b>	<b>8,528</b>	<b>11,469</b>	<b>188,420</b>	<b>288,510</b>
<u>Trade and other payables - related parties (Note 16)</u>				
Subsidiaries	-	-	57,013	67,759
Associates	10,585	11,036	12,778	10,725
Directors	4,339	1,770	2,659	810
<b>Total</b>	<b>15,224</b>	<b>12,806</b>	<b>72,450</b>	<b>79,294</b>

Short-term loans to related parties

As at 31 December 2014 and 2013, the balance of short-term loans to related parties and the movement are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
	Relationship	Balance as at 31 December 2013	Increase during the year	Decrease during the year	Balance as at 31 December 2014
<b>Genus Traffic System</b>					
Co. Ltd.	Subsidiary	-	60,000	-	60,000
Joint Venture Genus	Subsidiary	-	42,000	(41,000)	1,000
<b>Forth Consulting Co.</b>					
Ltd.	Subsidiary	-	8,538	-	8,538
Forth Motor Co., Ltd.*	Subsidiary	16,605	1,800	-	18,405
		<u>16,605</u>	<u>112,338</u>	<u>(41,000)</u>	<u>87,943</u>

\* Change status from an associate to a subsidiary on 4 December 2014

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	57,126	52,376	35,077	31,832
Post-employment benefits	1,131	239	1,052	239
Total	<u>58,259</u>	<u>52,615</u>	<u>36,129</u>	<u>32,071</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Notes 17 and 27.3 to the financial statements.

**8. Trade and other receivables**

	(Unit : thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Trade accounts receivable - related parties</b>				
<b>Age on the basis of due dates</b>				
Not yet due	1,597	1,597	69,452	76,686
Past due				
Up to 3 months	624	8	12,083	18,407
3 - 6 months	4	3	17,577	9,305
6 - 12 months	-	708	15,200	39,480
Over 12 months	4,163	5,346	30,605	138,750
<b>Total trade accounts receivable - related parties</b>	<u>6,290</u>	<u>7,662</u>	<u>174,987</u>	<u>291,745</u>
<b>Trade accounts receivable - unrelated parties</b>				
<b>Age on the basis of due dates</b>				
Not yet due	742,559	714,058	371,614	247,619
Past due				
Up to 3 months	362,852	102,688	282,393	31,929
3 - 6 months	10,749	27,718	5,239	21,324
6 - 12 months	56,662	34,407	49,585	32,639
Over 12 months	115,114	150,647	49,441	64,783
<b>Total</b>	<u>1,269,936</u>	<u>1,030,375</u>	<u>758,272</u>	<u>418,694</u>
Less: Allowance for doubtful debts	(62,906)	(42,053)	(24,883)	(11,066)
<b>Total trade accounts receivable - unrelated parties - net</b>	<u>1,226,970</u>	<u>988,326</u>	<u>733,279</u>	<u>407,628</u>
<b>Total trade accounts receivable - net</b>	<u>1,233,268</u>	<u>996,088</u>	<u>908,206</u>	<u>689,371</u>
<b>Other receivables</b>				
Accrued income	77,471	46,246	6,866	9,552
Less: Allowance for doubtful debts	(4,000)	(4,000)	-	-
<b>Accrued income - net</b>	<u>73,471</u>	<u>42,246</u>	<u>6,866</u>	<u>9,552</u>
Advances to unrelated parties	24,184	24,337	24,184	24,337
Less: Allowance for doubtful debts	(24,096)	(24,096)	(24,096)	(24,096)
<b>Advances to unrelated parties - net</b>	<u>88</u>	<u>241</u>	<u>88</u>	<u>241</u>
Other receivables - unrelated parties	21,994	7,688	17,230	2,855
Less: Allowance for doubtful debts	(2,220)	(2,220)	(2,220)	(2,220)
<b>Other receivables - unrelated parties - net</b>	<u>19,774</u>	<u>5,468</u>	<u>15,010</u>	<u>735</u>
Advances to related parties	-	-	01	-
Other receivables - related parties	6	3,072	11,777	5,963
Interest receivables from related parties	2,225	755	1,505	772
<b>Total other receivables - net</b>	<u>95,563</u>	<u>51,962</u>	<u>35,397</u>	<u>17,293</u>
<b>Total trade and other receivables - net</b>	<u>1,328,831</u>	<u>1,047,970</u>	<u>943,603</u>	<u>706,663</u>

As at 31 December 2014, the balances of trade accounts receivable in the consolidated financial statements included an account receivable of Baht 29 million (2013: Baht 31 million) from Bangkok Television 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 10 million (2013: Baht 10 million) in its accounts.

The management of the Company and its subsidiaries believes 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	
	2014	2013	2014	2013	2014	2013
Raw materials	467,902	257,014	(77,683)	(62,774)	390,219	194,240
Work in process	192,097	76,736	(15,395)	(11,651)	174,202	65,087
Finished goods	511,379	462,294	(104,702)	(88,818)	506,677	373,476
Goods in transit	12,334	2,010	-	-	12,334	2,010
Project in progress	26,144	45,357	(2,422)	(1,936)	23,722	43,421
Total inventories	<u>1,307,856</u>	<u>843,413</u>	<u>(200,702)</u>	<u>(165,179)</u>	<u>1,107,154</u>	<u>678,234</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Raw materials	316,902	211,730	(61,807)	(52,082)	275,095	159,648
Work in process	127,991	43,734	(4,500)	(4,050)	123,491	39,684
Finished goods	269,841	166,425	(43,897)	(33,672)	225,944	132,753
Goods in transit	9,054	1,529	-	-	9,054	1,529
Project in progress	8,636	38,096	-	-	8,636	38,096
Total inventories	<u>752,424</u>	<u>481,514</u>	<u>(110,204)</u>	<u>(90,404)</u>	<u>642,220</u>	<u>371,110</u>

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 30 million (2013: reversed the write-down of cost of inventories by Baht 6.3 million) (The Company only: Baht 29 million and 2013: Baht 2 million) to reflect the net realisable value. This was included in cost of sales.

**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:

Company's name	(Unit: Thousand Baht)							
	Cost		Allowance for impairment		Carrying amounts based on cost method - net		Dividend received during the years	
	2014	2013	2014	2013	2014	2013	2014	2013
Electronics Source Co., Ltd.	54,976	54,976	-	-	54,976	54,976	30,000	40,000
Genius Traffic System Co., Ltd.	220,056	50,056	-	-	220,056	50,056	119,999	-
Joint Venture Genius	14,210	14,210	-	-	14,210	14,210	-	-
Forth Smart Service Plc	183,000	183,000	-	-	183,000	183,000	-	-
Forth Consulting Co., Ltd.	7,000	7,000	-	-	7,000	7,000	-	-
Forth Alliance Co., Ltd.	510	510	(510)	-	-	510	-	-
Forth Lighting Co., Ltd.	3,250	250	-	-	3,250	250	-	-
Forth Meter Co., Ltd.*	18,000	-	(18,000)	-	-	-	-	-
Total investments in subsidiaries	481,002	310,002	(18,510)	-	462,492	310,002	149,999	40,000

\* Change status from an associate to a subsidiary on 4 December 2014.

11.1 On 21 March 2014, the Extraordinary General Meeting No. 1/2014 of the shareholders of Genius Traffic System Company Limited, the subsidiary, approved an increase in its registered capital of Baht 50 million (500,000 ordinary shares with a par value of Baht 100 each) to Baht 100 million (1,000,000 ordinary shares with a par value of Baht 100 each), through the issuance of 500,000 new ordinary shares with a par value of Baht 100 each, amounting to Baht 50 million. The Company purchased of 500,000 additional shares, amounting to Baht 50 million, in order to maintain its existing shareholding.

On 29 August 2014, the Extraordinary General Meeting No. 2/2014 of the shareholders of Genius Traffic System Company Limited, approved an increase in its registered capital of Baht 100 million (1,000,000 ordinary shares with a par value of Baht 100 each) to Baht 200 million (2,000,000 ordinary shares with a par value of Baht 100 each) through the issuance of 1,000,000 new ordinary shares with a par value of Baht 100 each amounting to Baht 100 million. The Company purchased of 1,000,000 additional shares, amounting to Baht 100 million, in order to maintain its existing shareholding.

11.2 On 23 May 2014, the Extraordinary General Meeting No. 1/2014 of the shareholders of Forth Lighting Company Limited, the subsidiary, approved an increase in its registered capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) to Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each), through the issuance of 90,000 new ordinary shares with a par value of Baht 100 each, amounting to Baht 9 million. The Company purchased of 90,000 additional shares, amounting to Baht 9 million, in order to maintain its existing shareholding. The subsidiary called up 25% of the value of the additional shares.

11.3 During 1 - 3 October 2014, Forth Smart Service Public Company Limited, the subsidiary, made an offer to the shareholders of the Company to purchase 96 million ordinary shares with a par value of Baht 0.50 each, at a price of Baht 2.50 per share, or for a total of Baht 240 million. In addition, during 6 - 8 October 2014, the subsidiary made an Initial Public Offering of 104 million ordinary shares, with a par value of Baht 0.50 each, at a price of Baht 2.50 per share, or for a total of Baht 260 million. The subsidiary received payment of this share capital increment and registered the increase of its issued and paid up share capital from Baht 300 million (600 million ordinary shares with a par value of Baht 0.50 per share) to Baht 400 million (800 million ordinary shares with a par value of Baht 0.50 per share) with the Ministry of Commerce on 9 October 2014. The Market for Alternative Investment (mai) has approved the subsidiary's 800 million ordinary shares with a par value of Baht 0.50 each as listed securities to be trading on the mai effective from 14 October 2014.

The public offering by the subsidiary resulted in a reduction in the Company's shareholding in the subsidiary from 01% to 46%. However, the Company still has control over the operating policies of Forth Smart Service Public Company Limited and therefore continues to present Forth Smart Service Public Company Limited as a subsidiary. The Company recognized the difference of Baht 151 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.

11.4 On 13 November 2014, a meeting of the Company's Board of Directors passed a resolution to acquire ordinary shares of Forth Meter Company Limited, an associate, from three of its shareholders who wished to transfer all of their shareholdings to the Company.

On 4 December 2014, the Company received 1,509,998 shares from these shareholders at no charge. As a result, the Company's equity interest in Forth Meter Company Limited increased from 45% to 85% and it has control over this company. The Company therefore classified Forth Meter Company Limited as a subsidiary and has included the financial statements of such subsidiary in the consolidated financial statements from 4 December 2014 (share acquisition date).

The fair values of identified assets and liabilities of Forth Meter Company Limited as at the acquisition date were as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	1,389
Trade receivables	3,682
Inventories	11,375
Other current assets	893
Restricted bank deposits	3,000
Property, plant and equipment - net	903
Other non-current assets	123
Total assets	21,366

	(Unit: Thousand Baht)
Bank overdrafts	993
Trade and other payables	8,200
Short-term loan from related parties	18,465
Other current liabilities	1,698
Other non-current liabilities	354
Total liabilities	29,850
Total net assets	(8,464)
Less: Portion held by non-controlling interests of the subsidiary	1,273
Net assets in the portion held by the Company	<u>(7,211)</u>
Investment in associate - at cost	18,300
Less: Cumulative losses from investment in associate at the acquisition date	(21,818)
Net book value of investment at the acquisition date - at equity method	(3,518)
Loss from acquisition of share from non-controlling interest of the subsidiary	(3,393)
Net assets in the portion held by the Company	<u>(7,211)</u>

The Company assessed the fair value of the assets acquired and liabilities assumed at the acquisition date, and concluded that the fair value did not differ from the net book value.

- \*1.5 On 13 November 2014, a meeting of the Company's Board of Directors approved the dissolution and liquidation of Forth Alliance Company Limited (the Company's subsidiary). Consequently, the Extraordinary General Meeting of the subsidiary approved the dissolution on 9 December 2014 and its dissolution was registered with Ministry of Commerce on 11 December 2014. Currently, this company is in process of liquidation.
- \*1.6 On 20 November 2014, the Company acquired 30,000 shares of Forth Consulting Company Limited (the Company's subsidiary) from one of its shareholders who wished to transfer all of their shareholdings to the Company. As a result, the Company's equity interest in this company increased from 70% to 100%. The Company recognised the differences of Baht 1.3 million between the cost and book value of its interest in this subsidiary under the caption of "Capital deficit from changes in shareholding in subsidiary" in shareholders' equity.

12 Investments in associates

12.1 Details of associates

Company Name	Country of Incorporation	Shareholding Percentage	Consolidated Income Statement				Statement of Financial Position				
			2014		2013		31 December 2014		31 December 2013		
			Revenue	Profit	Revenue	Profit	Assets	Liabilities	Assets	Liabilities	
Yongli Paper Co., Ltd.	China	45	1,100	130	1,000	1,100	1,100	1,100	1,100	-	-
Director of Investment:											
None											
United Chemical	China	40	40,000	4,000	40,000	4,000	40,000	40,000	40,000	40,000	40,000
Director/Member of Board:											
None											
China Paper Industry Group Co., Ltd.	China	50	19,500	1,500	19,500	1,500	19,500	1,500	19,500	19,500	19,500
Director/Member of Board:											
None											
Yongli Paper Industry Co., Ltd.	China	54	11,000	1,000	11,000	1,000	11,000	1,000	11,000	11,000	11,000
Director/Member of Board:											
None											
<b>Total</b>			<b>71,500</b>	<b>7,500</b>	<b>71,500</b>	<b>7,500</b>	<b>71,500</b>	<b>7,500</b>	<b>71,500</b>	<b>71,500</b>	<b>71,500</b>

\* Change in shareholding percentage is as at 31 December 2014



## 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 financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the years		Dividend received during the years	
	2014	2013	2014	2013
Forth Meter Co., Ltd.*	(3,918)	(3,480)	-	-
Minimap Co.,Ltd	(2,524)	(3,798)	-	-
FPT Payment Technology JSC	-	(6,444)	-	-
Forth Tracking System Co., Ltd	7,682	5,876	0,799	4,024
<b>Total</b>	<b>1,240</b>	<b>(7,856)</b>	<b>0,799</b>	<b>4,024</b>

\* Change status from an associate to a subsidiary on 4 December 2014

12.3 Summary financial information of associates

Company Name	Shareholding		Total Assets		Total Liabilities		Total Net Assets		Total Net Equity	
	2014	2013	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
For Merck Ltd*	-	4%	-	12	-	12	-	12	-	12
Uphale Corporation	100%	100%	20	11	36	40	16	17	16	17
	2009	2008								
For Pharm Techology, SC	40%	40%	40	40	-	-	-	-	-	-
	2009	2008								
For Tanning System Co., Ltd	20%	20%	124	11	36	36	17	36	17	36

\* Change starts from 1st December 2014 to 31 December 2014

- a) Share of loss from investments in Mindmap Comintech Inc. for the year ended 31 December 2014 in the amount of Baht 3 million (2013: Baht 4 million), were calculated based on the financial statements, which were prepared by the management of that company and not reviewed by its auditor. However, the Company's management believed that the financial statements would not be materially different if they were reviewed by the auditors of the associate.
- b) On 13 May 2013, the Company's Board of Directors passed a resolution to ratify the dissolution of PPI Payment Technology JSC. The management of the Company believed that the dissolution of the associate would have no significant impact on the operations of the Company. Currently, the associate is in process of dissolution. The company recorded impairment of investment in amount of Baht 7.5 million in the financial statements.
- c) On 26 February 2014, the Extraordinary General Meeting No 1/2014 of the shareholders of Forth Tracking System Company Limited, one of the associate, approved an increase in its registered capital of Baht 20 million (200,000 ordinary shares with a par value of Baht 100 each) to Baht 30 million (300,000 ordinary shares with a par value of Baht 100 each), through the issuance of 100,000 new ordinary shares with a par value of Baht 100 each, amounting to Baht 10 million. The Company purchased of 34,000 additional shares, amounting to Baht 3.4 million, in order to maintain its existing shareholding.



## 13. Property, plant and equipment

Cost	Consolidated financial statements											
	2014 January 1st	2014 February 1st	2014 March 1st	2014 April 1st	2014 May 1st	2014 June 1st	2014 July 1st	2014 August 1st	2014 September 1st	2014 October 1st	2014 November 1st	2014 December 31st
As at 1st January 2013	269,502	269,502	269,502	269,502	269,502	269,502	269,502	269,502	269,502	269,502	269,502	269,502
Acquisitions	-	-	1,568	1,568	1,568	1,568	1,568	1,568	1,568	1,568	1,568	1,568
Disposals/write-off	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Transferor Co.	-	-	3,247	3,247	3,247	3,247	3,247	3,247	3,247	3,247	3,247	3,247
As at 31st December 2013	269,502	269,502	274,317	274,317	274,317	274,317	274,317	274,317	274,317	274,317	274,317	274,317
As at 31st December 2014	281,312	-	281,312	281,312	281,312	281,312	281,312	281,312	281,312	281,312	281,312	281,312
Equipment of subsidiary, absorbed during the year	-	-	38	38	38	38	38	38	38	38	38	38
Disposals/write-off	1,507	-	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507
Transfer to Transferor Co.	-	-	62,722	62,722	62,722	62,722	62,722	62,722	62,722	62,722	62,722	62,722
As at 31st December 2014	468,311	468,311	468,311	468,311	468,311	468,311	468,311	468,311	468,311	468,311	468,311	468,311

in '000,000 GBP

## Direct manufacturing expenses

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Accumulated depreciation</b>											
As at 1 January 2014	-	11	13,698	690,947	274,333	11,903	-	-	-	-	-
Depreciation for the year	-	22	12,172	19,284	71,439	13,262	-	-	-	-	-
Depreciation of disposals	-	-	2,742	32,623	13,997	2,797	-	-	-	-	-
As at 31 December 2014	-	33	16,612	873,732	409,771	28,362	-	-	-	-	-
Depreciation for the year	-	22	13,422	19,138	71,439	13,455	-	-	-	-	-
Depreciation of equipment of subsidiary acquired during the year	-	-	36	-	11,211	1,874	-	-	-	-	-
Depreciation of disposals	-	-	-	2,111	12,711	201	-	-	-	-	-
As at 31 December 2014	-	22	16,805	584,711	494,211	13,532	-	-	-	-	-
<b>Impairment of equipment</b>											
As at 1 January 2014	-	-	-	-	-	-	-	-	-	-	-
Losses during the year	-	-	-	-	1,937	-	-	-	-	-	-
As at 31 December 2014	-	-	-	-	1,937	-	-	-	-	-	-
Losses during the year	-	-	-	-	1,728	-	-	-	-	-	-
Decrease during the year	-	-	-	-	13,249	-	-	-	-	-	-
2005 impairment	-	-	-	-	35	-	-	-	-	-	-
As at 31 December 2014	-	-	-	-	1,763	-	-	-	-	-	-
<b>Net book value</b>											
As at 31 December 2014	229,512	473	100,721	78,624	463,447	64,229	32,173	49,774	100,937	-	-
As at 31 December 2014	433,277	493	156,233	58,439	371,133	84,937	32,003	51,439	100,937	-	-
<b>Depreciation for the years</b>											
2014 Balance sheet change	-	-	-	-	-	-	-	-	-	-	-
2014 Balance sheet change	-	-	-	-	-	-	-	-	-	-	-

2014 Balance sheet change = manufacturing loss and the balance = manufacturing revenue expenses

2014 Balance sheet change = manufacturing loss and the balance = manufacturing revenue expenses

Rs. in Lakhs

## SCHEDULE 10 - DEPRECIATION

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Cost</b>														
As at January 2013	194,226	519	224,127	621,211	113,262	71,421	19,221	-	-	-	-	-	-	-
Additions	-	-	1,129	11,231	15,643	4,727	-	-	-	-	-	-	-	-
Disposals	-	-	1,750	34,363	11,426	1,524	-	-	-	-	-	-	-	-
Transfers to / from other divisions	-	-	1,207	-	4,487	2,266	-	-	-	-	-	-	-	-
As at December 2013	194,226	519	224,127	621,211	123,712	80,871	19,221	-	-	-	-	-	-	-
As at January 2014	213,967	-	2,471	12,124	13,884	4,713	-	-	-	-	-	-	-	-
Disposals	1,127	-	1,126	1,418	3,523	813	1,126	-	-	-	-	-	-	-
Transfers to / from other divisions	-	-	22,277	-	-	1,366	1,001	-	-	-	-	-	-	-
As at December 2014	412,120	519	34,924	142,651	17,307	56,049	10,102	-	-	-	-	-	-	-
<b>Accumulated depreciation</b>														
As at January 2013	-	-	131,224	321,173	33,267	43,573	51,772	-	-	-	-	-	-	-
Depreciation for the year	-	26	11,962	11,647	9,143	11,236	2,514	-	-	-	-	-	-	-
Depreciation for disposals	-	-	2,781	32,671	11,777	1,813	-	-	-	-	-	-	-	-
As at December 2013	-	26	139,405	361,141	47,683	57,619	54,286	-	-	-	-	-	-	-
Depreciation for the year	-	26	12,323	9,623	11,313	11,633	2,306	-	-	-	-	-	-	-
Depreciation for disposals	-	-	-	1,119	3,452	362	1,483	-	-	-	-	-	-	-
As at December 2014	-	52	151,728	374,656	61,447	70,615	56,865	-	-	-	-	-	-	-
<b>Net book value</b>														
As at December 2013	194,226	519	112,903	257,738	80,445	27,298	17,945	-	-	-	-	-	-	-
As at December 2014	412,120	467	149,501	274,941	42,860	42,713	14,234	-	-	-	-	-	-	-
<b>Depreciation for the year</b>														
2013: Balance included in manufacturing cost and the balance included in stock in trade inventories														
2014: Balance included in manufacturing cost and the balance included in stock in trade inventories														

As at 31 December 2014, 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 775 million (2013: Baht 764 million) (the Company only: Baht 705 million (2013: Baht 674 million)).

A subsidiary has mortgaged its land, with a total net book value as at 31 December 2014 of approximately Baht 15 million (2013: Baht 15 million), with bank to secure its long-term loan.

As at 31 December 2014, the Company and its subsidiaries had motor vehicles and equipment under finance lease agreements with net book value amounting to Baht 2 million (2013: Baht 6 million) (the Company only: Nil (2013: Baht 5 million)).

#### 14. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below:

	Consolidated financial statements			(Unit: Thousand Baht)
	Right to derive benefit from smart traffic boards		Total	Separate financial statements
	Traffic boards	Computer software		Computer software
As at 31 December 2014:				
Cost	234,865	24,491	259,356	19,627
Acquisitions of subsidiary during the year	-	33	33	-
Less: Write-off	-	(4)	(4)	-
Less: Amortisation	(232,652)	(11,539)	(244,191)	19,451
Less: Accumulated amortisation of controller software of subsidiary acquired during the year	-	(15)	(15)	-
Less: Impairment	(2,030)	-	(2,030)	-
Net book value	183	12,966	13,149	19,366
As at 31 December 2013:				
Cost	234,805	21,957	256,762	17,545
Less: Amortisation	(206,095)	(8,950)	(215,045)	(2,499)
Less: Impairment	(26,385)	-	(26,385)	-
Net book value	2,365	13,007	15,372	15,057

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	15,392	41,972	10,057	10,247
Acquisition of computer software	2,534	2,203	2,282	1,530
Computer software of subsidiary				
acquired during the year	33	-	-	-
Write-off of computer software	(4)	-	-	-
Amortisation	(29,146)	(28,783)	(1,973)	(1,729)
Amortisation of computer software				
of subsidiary acquired during the year	(15)	-	-	-
Reversal of impairment loss	24,355	-	-	-
Net book value at end of year	<u>13,149</u>	<u>15,392</u>	<u>10,366</u>	<u>10,557</u>

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.

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

	interest rate (% per annum)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Bank overdrafts	MOR	1,518	-	-	-
Short-term loans from financial institutions	2.60 - 4.35% MVR, refer to MLR	1,697,546	1,508,193	595,650	395,005
Trust receipts	MMR refer to MLR	126,563	65,479	126,563	10,479
<b>Total</b>		<u>1,825,627</u>	<u>1,573,672</u>	<u>722,213</u>	<u>405,479</u>

Bank overdrafts and revolving credit facilities of the Company and its subsidiaries are secured by transfers of most of collection rights for their project works. In addition, the Company guaranteed the facilities of the subsidiaries as described in Note 27.3 to the financial statements.



15. Trade and other payables

	(Unit: Thousand GBP)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade payables - related parties	10,778	9,721	67,717	76,959
Trade payables - unrelated parties	780,470	423,542	647,569	124,259
Other payables - related parties	107	1,315	7	1,315
Other payables - unrelated parties	161,912	-	141,069	-
Accrued expenses - unrelated parties	109,045	95,122	35,614	34,515
Accrued expenses - related parties	-	-	67	210
Accrued expenses - directors	4,339	1,770	2,899	810
Total trade and other payables	1,080,651	531,470	795,525	238,069

11. Long-term loans

Year	Balance	Age	Rate of Interest	Maturity	Purpose	Carrying Amount		Fair Value	
						At Balance Sheet Date	At Balance Sheet Date	At Balance Sheet Date	At Balance Sheet Date
1	The Company	1000 cars	4%	12 months	Finance for purchase of 1000 cars	1000	1000	1000	1000
2	The Company	1000 cars	4%	24 months	Finance for purchase of 1000 cars	1000	1000	1000	1000
3	The Company	1000 cars	4%	36 months	Finance for purchase of 1000 cars	1000	1000	1000	1000
4	The Company	1000 cars	4%	48 months	Finance for purchase of 1000 cars	1000	1000	1000	1000
5	The Company	1000 cars	4%	60 months	Finance for purchase of 1000 cars	1000	1000	1000	1000
6	The Company	1000 cars	4%	72 months	Finance for purchase of 1000 cars	1000	1000	1000	1000
7	The Company	1000 cars	4%	84 months	Finance for purchase of 1000 cars	1000	1000	1000	1000

Contractual Obligations:  
 Contingent Liabilities  
 Contingent Assets  
 Financial Instruments

Year	Contract	Maturity	Contractual	Contractual Obligations		
				2014	2015	2016
1	Electronic Storage Co. Ltd	2008-2010	US\$ 100 million	100	100	100
2	Electronic Storage Co. Ltd	2008-2010	US\$ 100 million	100	100	100
3	Forth Shared Service Pte	2008-2010	US\$ 100 million	100	100	100
4	Forth Shared Service Pte	2008-2010	US\$ 100 million	100	100	100
5	Forth Shared Service Pte	2008-2010	US\$ 100 million	100	100	100
<b>Total</b>						
Less: Current portion of long-term debt				100	100	100
Long-term debt - net of current portion				100	100	100

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. 18) of its subsidiary is secured by the mortgage of the subsidiary's land described in Note 13 to the financial statements.

The loan no. 19) of its subsidiary is secured by the Company.

According to the conditions stipulated in the loan agreements no. (11), (12) and (13) the subsidiary to comply with certain conditions stipulated in the loan agreements pertaining to matters such as the maintenance of financial ratios, creation of liabilities, and significant changes in the shareholders' structure or management etc.

As at 31 December 2013, a subsidiary was unable to maintain certain financial ratio as stipulated in loan agreement no. (10). 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. However, the subsidiary made full settlement of the loan in 2014.

#### 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	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Provision for long-term employee benefits at beginning of year	14,918	11,820	5,104	3,967
Current service cost	4,710	2,591	1,043	949
Interest cost	1,280	501	539	172
Benefits paid during the year	(64)	-	(64)	-
Actuarial losses	6,936	-	4,264	-
Actuarial losses from subsidiary acquired during the year	353	-	-	-
Provision for long-term employee benefits at end of year	<u>28,133</u>	<u>14,918</u>	<u>11,790</u>	<u>5,109</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	4,710	2,591	1,943	949
Interest cost	1,280	501	639	172
Total expense recognised in selling and administrative expenses in profit or loss	<u>5,990</u>	<u>3,092</u>	<u>2,462</u>	<u>1,121</u>

As at 31 December 2014, cumulative actuarial losses, which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 7 million (the Company only Baht 4 million).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.6 - 4.9	3.4 - 3.7	4.8	3.5
Future salary increase rate	5.0 - 11.8	5.0	5.0	5.0
Staff turnover rate (depending on age of employee)	5.0 - 62.5	0.0 - 40.0	5.0 - 27.3	7.0 - 40.0

The amounts of defined benefit obligations for the current year and the past three years are as follows:

	(Unit: Thousand Baht)	
	Defined benefit obligations	
	Consolidated financial statements	Separate financial statements
Year 2014	28,133	11,790
Year 2013	14,918	5,108
Year 2012	11,626	3,987
Year 2011	9,147	3,112

## 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. At present, the statutory reserve has fully been set aside.

## 20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial statements		Financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	565,915	490,330	315,334	269,527
Depreciation	164,536	135,538	46,572	46,256
Amortisation	39,555	29,824	3,165	2,554
Raw materials and consumables used	1,001,613	1,830,336	903,519	1,165,492
Changes in finished goods and work in progress	(243,231)	(22,317)	(158,213)	(9,785)

## 21. Income tax

Income tax expenses (income) for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial statements		Financial statements	
	2014	2013	2014	2013
		(Restated)		
<b>Current income tax:</b>				
Current income tax charge	47,406	43,445	-	-
Adjustment in respect of current income tax				
of previous year	-	9	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary				
differences	(4,312)	10,271	8,580	(2,919)
Effects of income tax related to the share offering of				
subsidiary	3,189	-	-	-
<b>Income tax expenses (income) reported in the</b>				
<b>statement of comprehensive income</b>	<b>46,343</b>	<b>53,721</b>	<b>8,580</b>	<b>(2,919)</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deferred tax relating to actuarial losses	1,367	-	804	-

The reconciliation between accounting profit and income tax expense is shown below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accounting profit before tax	445,340	345,363	497,629	170,802
Applicable tax rate (%)	20	20	20	20
Accounting profit before tax multiplied by applicable tax rate	89,068	69,073	99,522	34,160
Adjustment in respect of current income tax of previous year	-	5	-	-
Effects of:				
Promotional privileges (Note 22)	(25,680)	(29,249)	(25,680)	(28,773)
Non-deductible expenses	8,216	7,465	3,693	5,189
Tax-exempted revenue	(1,258)	-	(32,627)	(18,925)
Utilisation of previously unrecognised tax losses	(16,044)	-	(16,044)	-
Recognised previously tax losses	(20,284)	-	(20,284)	-
Unused tax losses of current year	11,474	6,567	-	3,430
Others	861	859	-	-
Total	(12,725)	(16,367)	(90,942)	(37,079)
Income tax expenses (income) reported in the statement of comprehensive income	46,343	53,725	8,580	12,910

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	Financial statements	Financial statements	Financial statements	Financial statements
	2014	2013	2014	2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	6,559	4,153	479	471
Allowance for diminution in value of inventories	38,683	32,649	22,052	19,081
Allowance for asset impairment	1,601	7,193	-	-
Unrealised profit from inter-sales transactions	64,557	55,698	-	-
Provision for long-term employee benefits	5,510	2,984	2,358	1,022
Provisions	691	1,496	621	1,436
Unused tax losses	39,740	46,169	20,284	32,623
<b>Total</b>	<b>156,341</b>	<b>150,641</b>	<b>45,864</b>	<b>53,562</b>

As at 31 December 2014, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 57 million (2013: Baht 175 million) (the Company only: Nil (2013: Baht 168 million)). No deferred tax assets have been recognised on these amounts 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(Var)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 begin generating revenues (August 2006) and an exemption from import duty on imported raw materials and supplies used in production for export. The corporate income tax privileges of these were expired in August 2014.



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). The corporate income tax privileges of these were expired in 2013. Subsequently, during 2014, the subsidiary has received various tax privileges from the Board of Investment (BOI) pursuant to the investment promotion certificates No. 1639/4/2557. 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. However, as at 31 December 2014, the subsidiary has not generated revenues from promoted operation.

The Company's operating revenues for the years ended 31 December 2014 and 2013, divided between promoted and non-promoted operations, are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Sales	101,580	291,233	1,692,774	1,736,481	1,793,854	2,029,714
Services	-	-	1,487,932	1,111,961	1,487,932	1,111,961
Revenues from project work	15,058	(433,417)	980,087	1,762,045	995,045	1,329,128
Other income	-	-	90,762	62,847	90,762	62,847
Total revenues	116,638	(42,184)	4,261,055	4,675,634	4,377,193	4,533,650

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Sales	387,150	550,609	906,450	978,074	1,293,600	1,529,283
Services	-	-	310,714	257,714	310,714	257,714
Revenues from project work	15,058	(433,417)	638,259	600,653	653,317	167,446
Other income	-	-	200,293	128,335	200,293	128,335
Total revenues	402,208	(117,192)	2,055,721	1,965,586	2,457,924	2,082,778

## 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	
	2014	2013	2014	2013
		(Restated)		
Profit for the year (Thousand Baht)	537,913	258,477	489,029	173,721
Weighted average number of ordinary shares (Thousand shares)	960,000	114,000	900,000	960,000
Earnings per share (Baht per share)	0.56	0.23	0.54	0.18

## 24. Segment information

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

- 1) Electronic manufacturing service business is a business segment which designs, manufactures or designs 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) Related technology 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 overseas 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 years ended 31 December 2014 and 2013, respectively.

2014 in Brief

Consolidated Financial Statements by the years ended 31 December

Economic	Financial Statement					Income Statement		Total
	Balance Sheet	Income Statement	Balance Sheet	Income Statement	Income Statement	Income Statement		
Revenue	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from external customers	1,120	1,025	1,120	1,025	1,120	1,025	1,120	1,025
Operating expenses	111	106	107	104	111	106	111	106
Total revenue	1,009	919	1,013	921	1,009	919	1,009	919
Segment contribution	118	108	112	107	118	108	118	108
Financial income (expenses)								
Other income								
Selling expenses								
Administrative expenses								
Loss on disposal								
Loss from disposal of fixed assets from non-current assets of the subsidiary								
Share of profit (loss) from associates - subsidiaries								
Financial loss								
Non-current expenses								
Profit from operations - subsidiaries								
Profit from operations - subsidiaries								

Statement of Financial Position as at 31 December 2014 and 31 December 2013

	2014		2013		2012		2011		2010	
	£	€	£	€	£	€	£	€	£	€
<b>Fixed assets</b>										
Intangible assets	100	100	100	100	100	100	100	100	100	100
Property, plant and equipment	100	100	100	100	100	100	100	100	100	100
Investments	100	100	100	100	100	100	100	100	100	100
Other fixed assets	100	100	100	100	100	100	100	100	100	100
<b>Current assets</b>										
Trade receivables	100	100	100	100	100	100	100	100	100	100
Trade payables	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Other current assets	100	100	100	100	100	100	100	100	100	100
<b>Total assets</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Equity</b>										
Share capital	100	100	100	100	100	100	100	100	100	100
Reserves	100	100	100	100	100	100	100	100	100	100
<b>Liabilities</b>										
Trade payables	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Other liabilities	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
<b>Total liabilities</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>

Notes to the Financial Statements

1. General information: The company is incorporated in the Republic of Ireland. The registered office is at 100, North Wall Quay, Dublin 1, Ireland.

2. Accounting policies

2.1 Basis of preparation

The financial statements are prepared in accordance with the accounting policies set out below. The accounting policies have been applied consistently throughout the period. The financial statements are prepared on a going concern basis. The company has adopted the accounting policies set out below. The financial statements are prepared on a going concern basis. The company has adopted the accounting policies set out below.

## 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 Bangkok Capital Asset Management Company Limited, TSCQ Asset Management Company Limited, and American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. During 2014, the Company and its subsidiaries contributed Baht 6 million (2013: Baht 6 million) (the Company only: Baht 4 million (2013: Baht 4 million)) to the funds.

## 26. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2013	2014 Annual General Meeting of the shareholders on 18 April 2014	144	0.15
Interim dividend paid from retained earnings and profit for the nine-month period ended 30 September 2014	The Board of Directors' Meeting on 13 November 2014	144	0.15
<b>Total for 2014</b>		<b>288</b>	<b>0.30</b>
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
<b>Total for 2013</b>		<b>230</b>	<b>0.24</b>

## 27. Commitments and contingent liabilities

### 27.1 Capital commitments

As at 31 December 2014, subsidiaries had capital commitments of approximately Baht 3 million (2013: Baht 5 million), relating to the acquisition of land with construction thereon and construction of buildings.

## 27.2 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:	2014	2013
In up to 1 year	24	25
In over 1 and up to 5 years	32	26
In over 5 years	60	50

- b) 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	
Payable within:	2014	2013
In up to 1 year	6	6
In over 1 and up to 5 years	22	22
In over 5 years	11	16

## 27.3 Guarantees

- (a) The Company has guaranteed loan and credit facilities of its subsidiaries amounting to Baht 1,470 million (2013: Baht 1,715 million).
- (b) As at 31 December 2014, there were outstanding bank guarantees amounting to approximately Baht 520 million (2013: Baht 690 million) issued by banks on behalf of the Company and its subsidiaries, of which Baht 246 million (2013: Baht 368 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, current investments, 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 debtors of project work. The major 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 statements as at 31 December 2014

## Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>							
<b>Cash and cash equivalents</b>							
Cash and cash equivalents	-	-	-	103	91	194	0.10 - 0.50
Current investments	385	-	-	-	-	385	2.80 - 2.95
<b>Trade and other receivables</b>							
Trade and other receivables	-	-	-	-	1,320	1,320	-
Unbilled receivables	-	-	-	-	1,157	1,157	-
Restricted bank deposits	13	-	-	-	1	14	1.13 - 1.50
	398	-	-	103	2,577	3,078	
<b>Financial liabilities</b>							
<b>Bank overdrafts and short-term loans from financial institutions</b>							
Bank overdrafts and short-term loans from financial institutions	1,824	-	-	2	-	1,826	3.60 - 4.35, refer to M.R.
<b>Trade and other payables</b>							
Trade and other payables	-	-	-	-	1,067	1,067	-
<b>Long-term loans</b>							
Long-term loans	-	-	-	575	-	575	3.00, refer to M.R.
	1,824	-	-	577	1,067	3,468	

(Million Baht)

## Consolidated financial statements as at 31 December 2013

## Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>							
<b>Cash and cash equivalents</b>							
Cash and cash equivalents	-	-	-	106	96	202	0.10 - 0.60
<b>Trade and other receivables</b>							
Trade and other receivables	-	-	-	-	1,048	1,048	-
<b>Short-term loans to related parties</b>							
Short-term loans to related parties	17	-	-	-	-	17	5.00
<b>Unbilled receivables</b>							
Unbilled receivables	-	-	-	-	1,137	1,137	-
<b>Restricted bank deposits</b>							
Restricted bank deposits	9	-	-	-	-	9	0.50 - 2.00
	26	-	-	107	2,291	2,414	
<b>Financial liabilities</b>							
<b>Bank overdrafts and short-term loans from financial institutions</b>							
Bank overdrafts and short-term loans from financial institutions	1,519	-	-	55	-	1,574	3.00 - 3.64, refer to M.R.
<b>Trade and other payables</b>							
Trade and other payables	-	-	-	-	531	531	-
<b>Long-term loans</b>							
Long-term loans	-	15	-	493	-	508	3.00, refer to M.R.
	1,519	15	-	548	531	2,613	



(Million BRL)

Separate financial statements as at 31 December 2014

Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	46	6	52	0.10 - 0.50
Trade accounts and other receivables	-	-	-	-	944	944	-
Short-term loans to related parties	88	-	-	-	-	88	3.50 - 5.00
Unbilled receivables	-	-	-	-	242	242	-
	88	-	-	46	1,192	1,326	
<b>Financial liabilities</b>							
Bank overdrafts and short-term loans from financial institutions	722	-	-	-	-	722	2.83 - 3.06
Trade and other payables	-	-	-	-	796	796	-
Long-term loans	-	-	-	398	-	398	refer to M.R.
	722	-	-	398	796	1,916	

(Million BRL)

Separate financial statements as at 31 December 2013

Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>							
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	
<b>Financial liabilities</b>							
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 M.R.
	405	-	-	239	238	882	

### 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	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3.0	1.0	9.0	2.0	32.9630	32.6136
Hong Kong dollar		0.1	1.0	0.4	4.2516	4.2316
Japanese yen	0.1	-	4.0	-	0.2738	0.3130
Vietnamese dong	1.0	1.0	-	-	0.0015	0.0015

Foreign exchange contracts outstanding are summarised below:

As at 31 December 2014		
Foreign currency	Bought amount	Contractual exchange rate of bought amount
	(Million)	(Baht per 1 foreign currency unit)
US dollar	1	32.9370

The foreign exchange contracts mature in the first quarter of 2015.

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 matured in the first quarter of 2014.

## 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 arms-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 2014, the Group's debt-to-equity ratio was 1.6:1 (2013: 1.7:1) and the Company's was 1.4:1 (2013: 0.7:1).

## 30. Event after the reporting period

30.1 On 12 February 2015, a Board of Directors' meeting of Forth Smart Service Public Company Limited, one of the subsidiary, passed the resolution to propose that the Annual General Meeting of shareholders approve a dividend payment for the year 2014 of Baht 0.20 per share, a total of Baht 160 million. The dividend will be paid from the subsidiary's operating results for the year 2014 and its retained earnings.

30.2 On 19 February 2015, the Company's Board of Directors' meeting passed the resolution to propose that the Annual General Meeting of shareholders approve a dividend payment for the year 2014 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 2014 and the retained earnings derived from the promoted activities.

## 31. Approval of financial statements

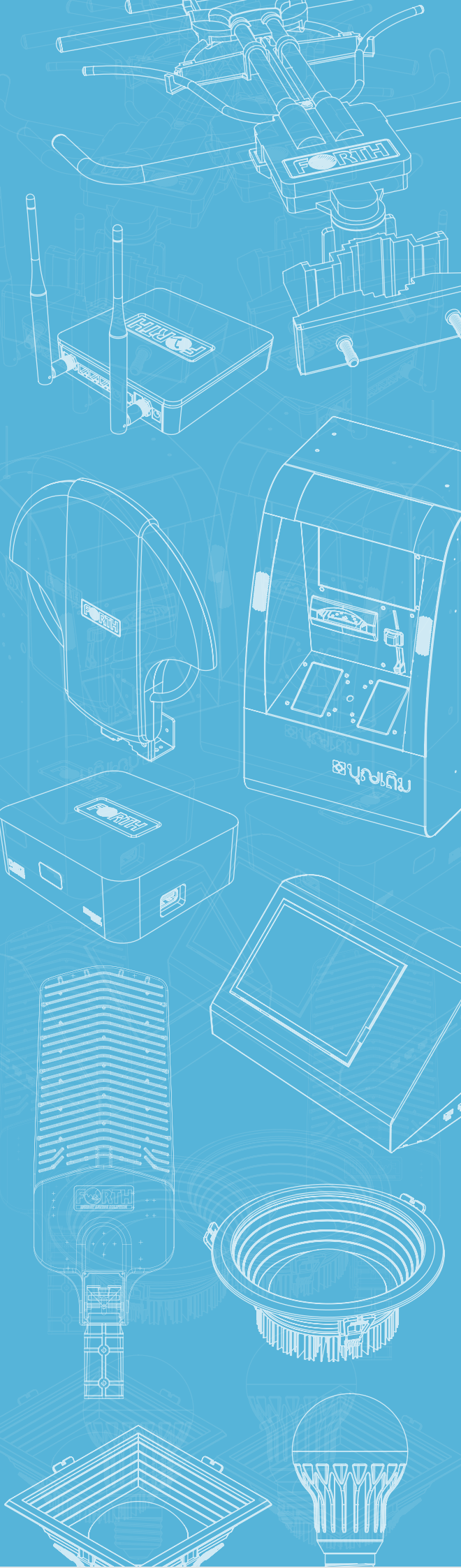
These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2015.



## General Information

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"><li>• Manufacturing and distribution of telecommunication and electronic equipment under trademark of “FORTH”</li><li>• Manufacturing of print circuit board and electronic equipment under the customer brand</li><li>• Manufacturing, distribution and contractor for the installation of equipment, traffic light system and CCTV</li><li>• Manufacturing and distribution of electric sign board</li><li>• The collection of the advertising fee from text message and images on genius traffic board</li><li>• The development and implementation of Enterprise Resource Planning system</li><li>• The online top up service and topping up the prepaid mobile phone</li><li>• Manufacturing and distribution of lamps and lighting equipment</li></ul>
Head Office's address	:	1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400
Branch's address	:	Branch No. 1 66/350 Moo 12 Raikhing, Sampran district, Nakornprathom, 73210 Branch No. 2 77 Moo 11 Phuttamonthon 5th Road, Raikhing, Sampran district, Nakornprathom, 73210 Branch No. 3 66/18 Moo 12 Raikhing, Sampran district, Nakornprathom, 73210 Branch No. 4 282, 284 Phaholyothin Road, Samsennai, Phayathai district, Bangkok, 10400
Website	:	<a href="http://www.forth.co.th">www.forth.co.th</a>
Telephone	:	0-2265-6700, 0-2271-2888
Facsimile	:	0-2265-6799, 0-2279-4888
References	:	
Securities Registrar	:	Thailand Securities Depository Co., Ltd. 62, The Stock Exchange of Thailand Building Ratchadapisek Road, Klongtoey, Bangkok, 10110 Tel. 0-2229-2800 Fax. 0-2359-1259
Auditors	:	1. Ms. Waraporn Prapasirikul CPA (Thailand) No. 4579 and/or 2. Mr. Supachai Phanyawattano CPA (Thailand) No. 3930 and/or 3. Mr. Narong Puntawong CPA (Thailand) No. 3315 EY Office Limited 193/136-137, 33rd Floor, Lake Rajada Office Complex Rajadapisek Road, Klongtoey, Bangkok , 10110 Tel: 0-2264-0777 Fax: 0-2264-0790

For more details of the Company, please refer to the annual filing (Form 56-1) at [www.sec.or.th](http://www.sec.or.th) or the Company's website.



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