

**FORTH**  
ANNUAL REPORT  
**2018**  
FORTH CORPORATION PUBLIC COMPANY LIMITED



# Awards of Pride



**Award for Good Cooperation**

Pioneer Manufacturing (Thailand) Co., Ltd.

**2015**



**Award for Good Cooperation**

Pioneer Manufacturing (Thailand) Co., Ltd.

**2014**



**Performance Achievement Award**

Western Digital (Thailand) Co., Ltd.

**2012**



**The Best of National Innovation Award for Science & Technology**

Multi Service Access Network (MSAN)  
National Research Council of Thailand (NRCT)

**2011**



**Best Supplier Award**

Pioneer Manufacturing (Thailand) Co., Ltd.,  
Toshiba Career (Thailand) Co. Ltd.  
and Western Digital (Thailand) Co., Ltd.

**2011**



**Forerunner of 5 : IT Princess Award (Nationwide IT)**

Multi Service Access Network (MSAN)  
Foundation for Research and Information Technology

**2010**



**Telecom Innovation Award**

FORTH X-TRANS WDM Access Switch  
Telecommunications Research and Industrial  
Development Institute (TRIDI)

**2010**



**National Innovation Award Winner**

Mini Multi Service Access Network (Mini-MSAN)  
National Innovation Agency (NIA)

**2009**



**Forerunner of Telecom Innovation Award**

Multi Service Access Network (MSAN)  
National Telecommunication Commission (NTC)

**2009**

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## Message from the Chairman of the Board of Director



**(Mr. Sanit Worapanya)**

Chairman of the Board of Director

In 2018, the overall picture of the Thai economy grew at 4.1 percent. In the first half of the year, the Thai economy grew quite well as a result of the expansion of the export and tourism sectors including the increase in investment from both the public and private sectors while in the second half of the year, the trade war between China and the United States as well as the decline in the number of tourists from China had resulted in the slowdown of the growth of the Thai economy. However, even though there were such problems but the continuously pushing for the restructuring of Thailand into the Thailand 4.0 era of the government as well as the plans to invest in the Eastern Economic Corridor-EEC which is the foundation of the future economic structure for Thailand are something that will help drive Thailand to keep on develop and grow.

For Forth and group of companies during the past year, they had quite good results and could grow and make progress satisfactorily as can be seen from the increase in sales and profits presented to shareholders in the annual report.

With the far vision of the executives who focus on continuous research and development of good quality products and services and have a commitment to be a part in driving Thailand by studying, planning and prepare for capacity, funding and product and service development in order to be able to cope with changes in the future.

Finally, I would like to thank shareholders, sponsors for the business of the group as well as executives and all employees who have devoted their strength to help drive Forth and the group of Forth to operate the business for the long-term growth and sincerely hope that we will continue to receive good cooperation and support as before. In this regard, the Board of Directors will continue to emphasize the stance to operate the business with strict corporate governance principles in order for the business to grow steadily and sustainably.

## Message from the Executive Chairman



**(Mr. Pongchai Amatanon)**

Executive Chairman



In the year 2018, the Thai economy had grown from the previous year. Although during the year there was fluctuations that result from the international trade war of the People's Republic of China and the United States which resulted in economic slowdown both in Thailand and abroad. However, Forth was still able to maintain satisfactory net profit. The company has a net profit of 526 million baht, which is considered the largest net profit since the company was founded.

Forth and its affiliates operate a variety of businesses. In 2019, the company has various operating guidelines consisting of the business of manufacturing electronic components (EMS) which tend to grow at a good level. The company focuses on improving production processes and controlling production costs to be more efficient. In the past year, the company has expanded the production to a new factory to support future growth and to increase the level of competitiveness in the market as well. In terms of telecommunication business and related technology businesses, the main income comes from bidding for various jobs or projects of both government and state enterprises. The company has expertise in the work covering from designing, installing computer systems, hardware, software and network systems which is so called as a full system integration (SI). In the past year, these two groups of businesses have grown quite well and in the year 2019, the company still focuses on providing services for designing, developing and installing telecommunication products, information Technology System as well as an integrated communications network system including providing after sales service along with creating profits and business opportunities as much as possible.

The retail customer service business of the company still can grow well by adding new services continuously as can be seen from the performance of Forth Smart Service Public Company Limited ("FSMART") that continues to grow amid disruption. The company still set the target goal for the year 2019 which focuses on the importance of the quality location of Boonterm kiosk, the management of the average received amount of prepaid per month (ARPU) for efficiency along with the development of existing service quality and adding new services that respond to the needs of users in order to increase the income proportion of Boonterm kiosk.

The company is still committed and dedicated to successful business operations with a knowledgeable Thai engineering team, expertise in design, research, product development by creating new technologies and innovations that are modern and responsive to the changing world in the present and future while giving priority to offering and providing comprehensive services to customers by recognizing the control of production costs for maximum efficiency and to increase the potential to generate income and profits for all companies and shareholders.

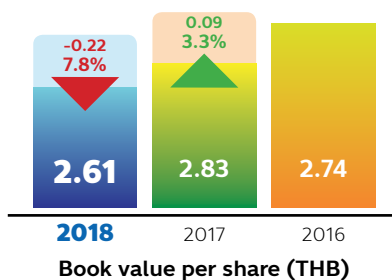
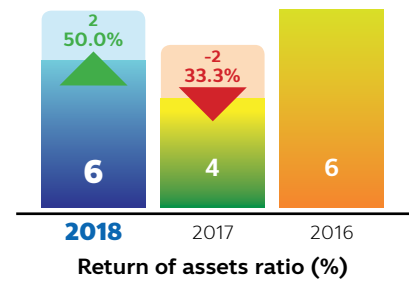
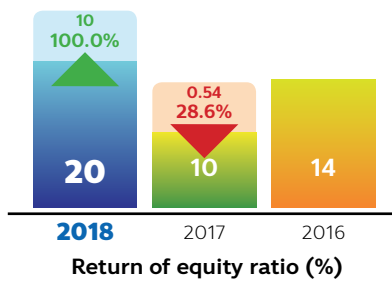
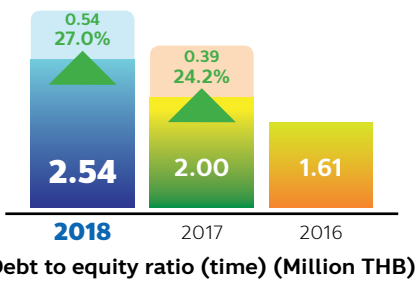
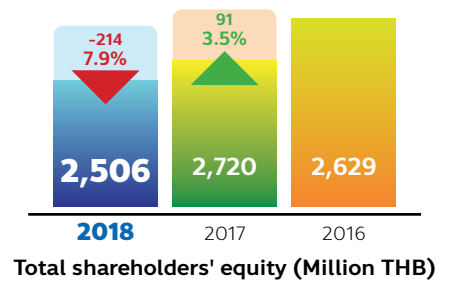
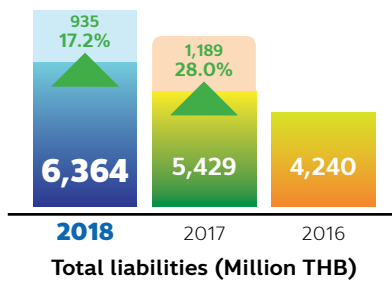
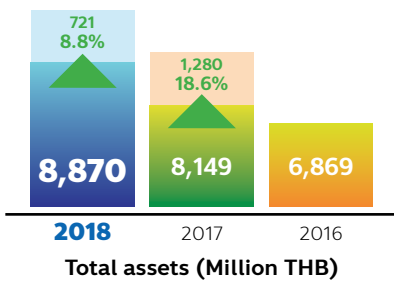
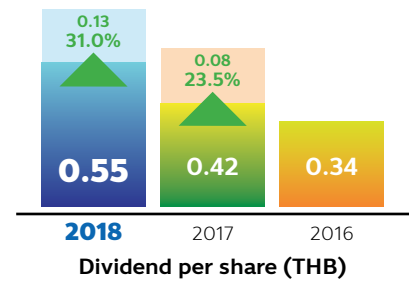
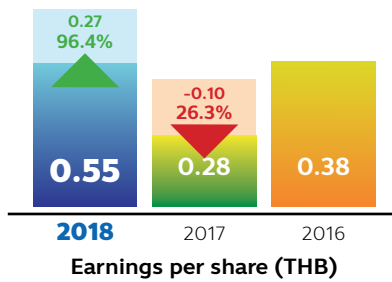
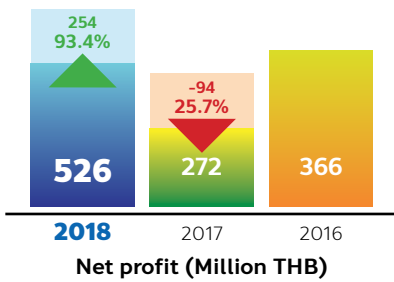
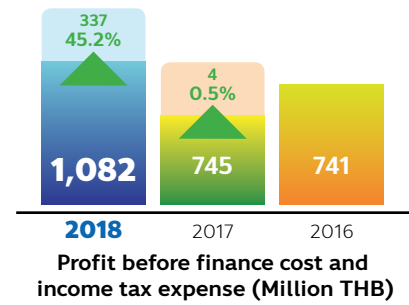
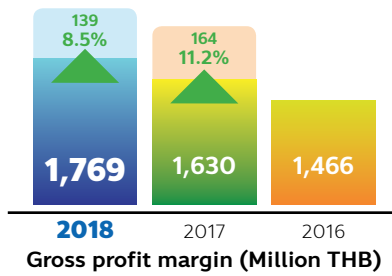
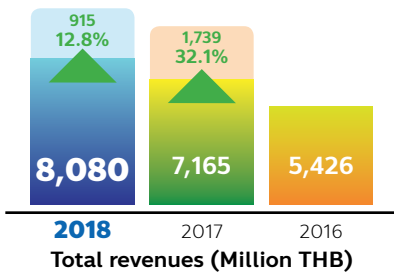
On behalf of the Executive Committee, I would like to thank you all for your trust in the management of the Company. We will adhere to the principles of corporate governance, social care in conjunction with the operation of the company to grow steadily and sustainably.

# Financial Highlights

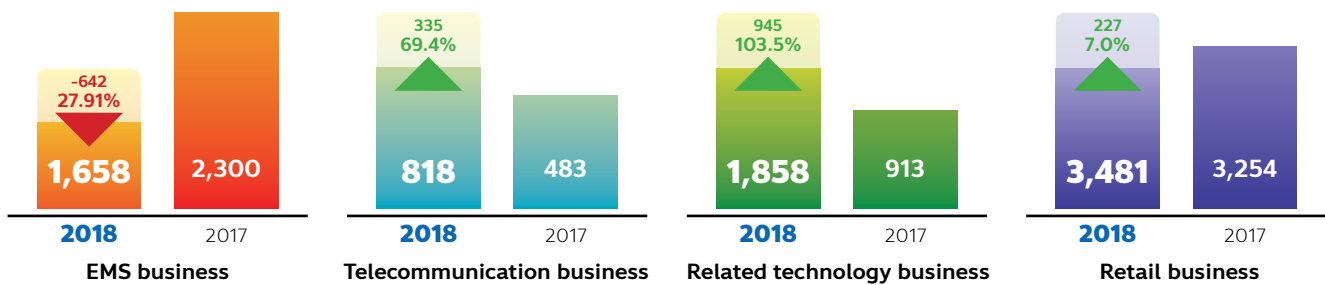
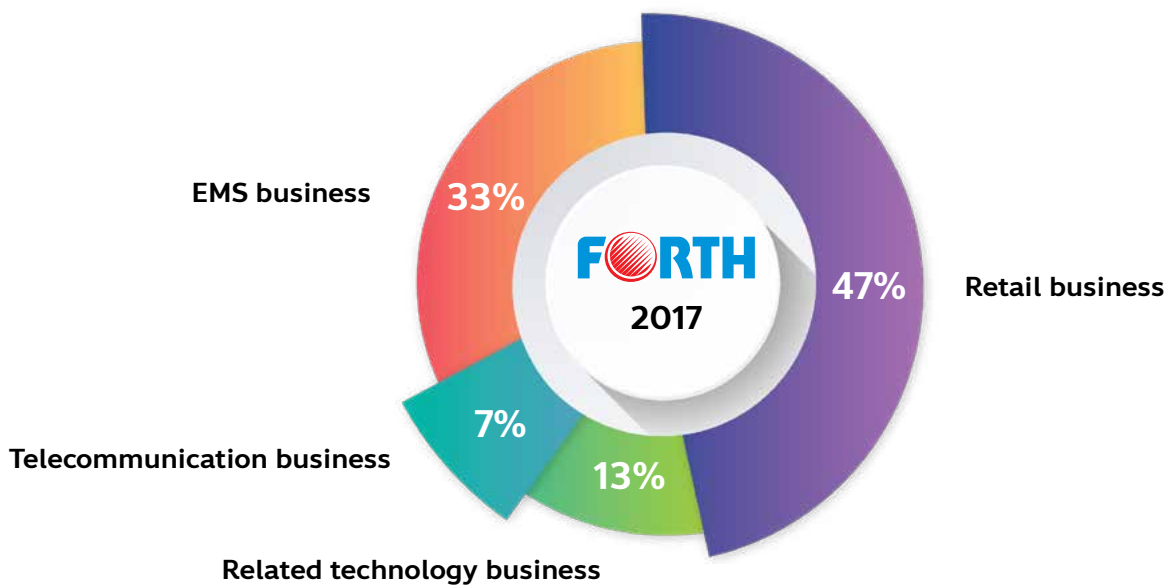
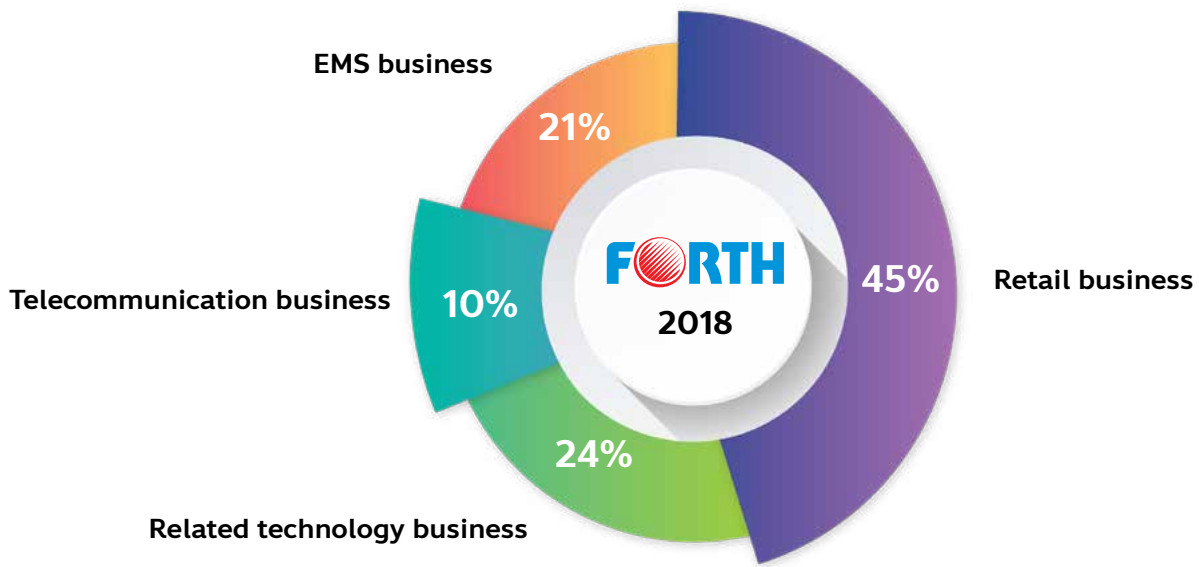
	2018	2017	2016
<b>Financial Highlights</b>			
Total revenues (Million THB)	<b>8,080</b>	7,165	5,426
Gross profit margin (Million THB)	<b>1,769</b>	1,630	1,466
Profit before finance cost and income tax expense (Million THB)	<b>1,082</b>	745	741
Net profit (Million THB)	<b>526</b>	272	366
Earnings per share (THB)	<b>0.55</b>	0.28	0.38
Dividend per share (THB)	<b>0.55</b>	0.42	0.34
Total assets (Million THB)	<b>8,870</b>	8,149	6,869
Total liabilities (Million THB)	<b>6,364</b>	5,429	4,240
Total shareholders' equity (Million THB)	<b>2,506</b>	2,720	2,629
Debt to equity ratio (time) (Million THB)	<b>2.54</b>	2.00	1.61
Return of equity ratio (%)	<b>20</b>	10	14
Return of assets ratio (%)	<b>6</b>	4	6
Book value per share (THB)	<b>2.61</b>	2.83	2.74

	2018	2017	2016
<b>Revenue Structure</b>			
• EMS business	<b>1,658</b>	2,300	1,657
• Telecommunication business	<b>818</b>	483	264
• Related technology business	<b>1,858</b>	913	1,022
• Retail business	<b>3,481</b>	3,254	2,319

# Financial Highlights



# Revenue Structure





# VISION & MISSION



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.



- 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.

## Board of Directors



**Mr. Sanit Vorapunya**

Chairman of the Board of Directors  
Independent Director



**Mr. Pongchai Amatanon**

Director  
Executive Committee  
Risk Management Committee



**Mrs. Rangsee Lertripinyo**

Director  
Executive Committee  
Risk Management Committee  
Nomination and Remuneration Committee



**Mr. Somboon Muangklam**

Director  
Independent Director  
Chairman of Audit Committee  
Chairman of Nomination and Remuneration Committee



**Mrs. Vilasinee Puddhikarant**

Director  
Independent Director  
Audit Committee  
Nomination and Remuneration Committee

## Board of Directors



**Mrs. Porntip Lerttanongsak**

Director  
Independent Director  
Audit Committee  
Chairman of Risk Management Committee



**Mr. Kaelic Amatanon**

Director



**Mrs. Matinee Wandeepirom**

Director  
Nomination and Remuneration Committee



**Mr. Boonya Tantipanichapun**

Director  
Executive Committee  
Risk Management Committee



**Ms. Noparat Siripongpreeda**

Director

## Management Team



**Mr. Pongchai Amatanon**

Chief Executive Officer



**Mrs. Rangsee Lertripinyo**

Senior Executive Vice President



**Mr. Chatchavin Pipatchotitham**

Executive Vice President

## Management Team



**Mr. Pramote Pantina**

Vice President of Production



**Mr. Arin Jamnaree**

Vice President of Accounting and Finance  
Corporate Secretary



**Mr. Katanyoo Wilaikaew**

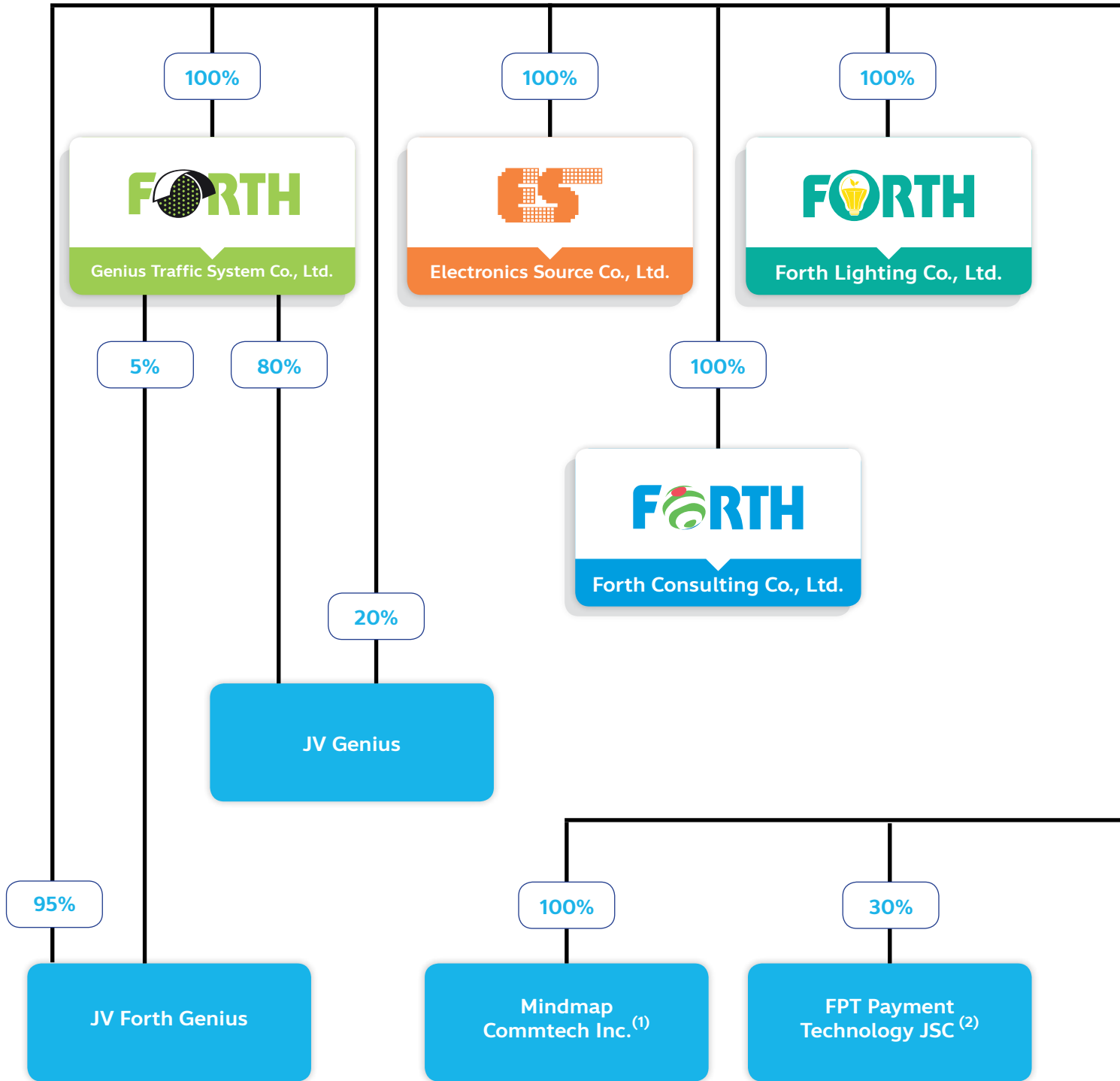
Vice President of Research and Development

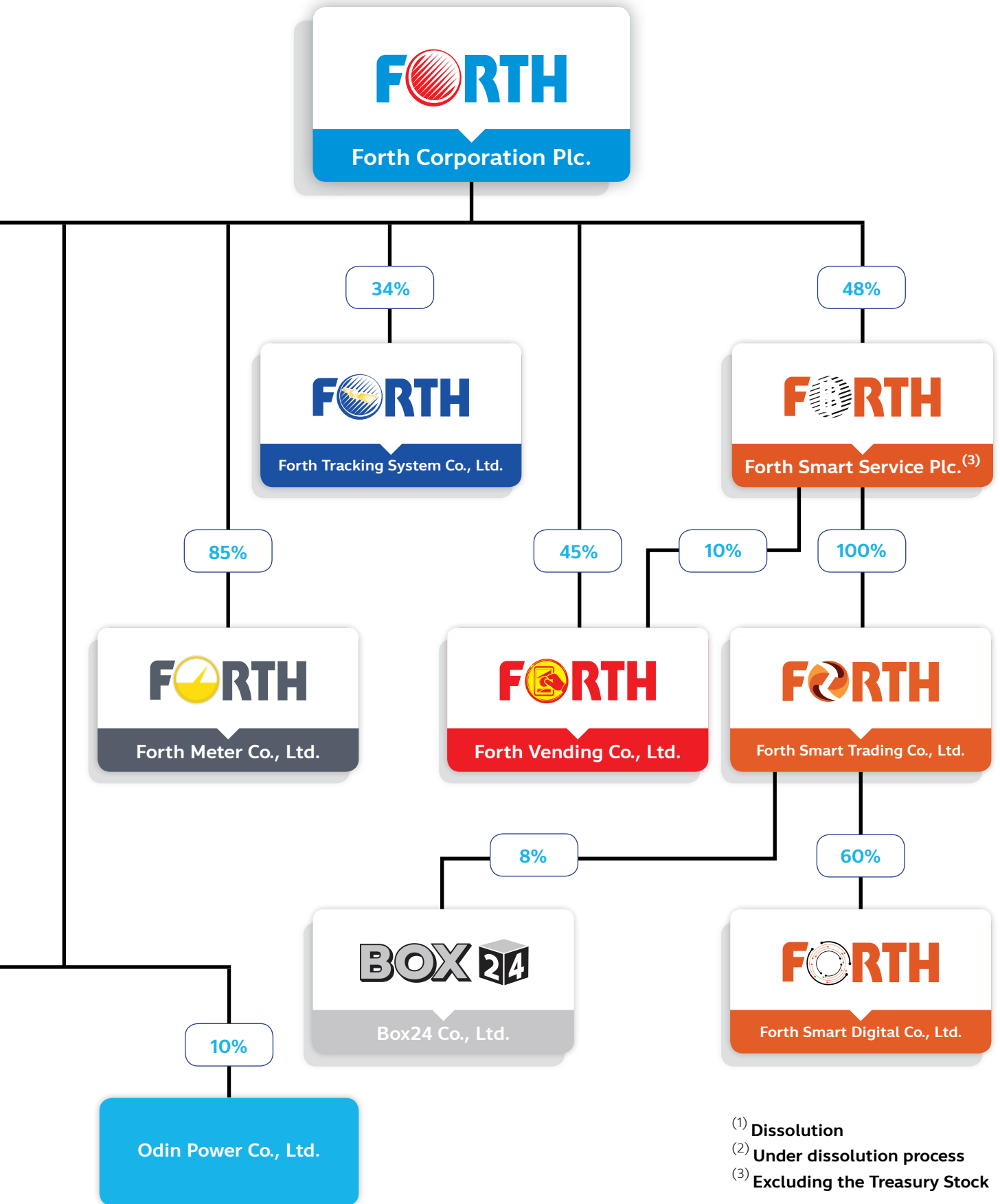


**Ms. Nitiya Songprapai**

Vice President of Central Administration

# Shareholding Structure of Forth Group





(1) Dissolution  
(2) Under dissolution process  
(3) Excluding the Treasury Stock

## Nature of Business

The business operations of the Company and its subsidiaries are divided into 4 business lines as follows :


### 1) EMS business

#### 1.1 Business of producing circuit boards and electronic equipment and telecommunications under the customers' brand

The business is operated by Forth Corporation Public Company Limited, with a production plant on an area of over 16,000 square meters, located at Phutthamonthon Sai 5 Road, Nakhon Pathom Province. The plant is equipped with modern machinery and engineers and teams with long experience ready to provide services in all forms covering from designing of products for customers as well as the production of products in the form of electronic circuit boards (Consigns) and the turnkey contracting. The main customer groups of the Company are the leading electronics and telecommunication companies both domestically and internationally such as Sun Judo (Thailand) Co. Ltd., Pioneer Manufacturing (Thailand) Co., Ltd., Toshiba Carrier (Thailand) Co. Ltd., Fusion Electronics Limited, Invenco Group Limited, Garmin Switzerland etc.




#### 1.2 Business of electronics parts distribution

It is operated by Electronics Source Company Limited, a 100% owned subsidiary of the Company under the trademark  is a distributor of electronic components, semiconductor which is the raw material for the production of electronic circuits, including ICs, transistors, diodes, semiconductors optoelectronics, display device, relay, battery, connector, buzzer, power switch, EMC filter, thermal printer, capacitor, resistor, crystal oscillator, etc.


### 2) Telecommunication business

#### 2.1 Integrated telecommunications business

The business is operated by Forth Corporation Public Company Limited, a designer of next-generation telecommunications networks (NGN) to provide Narrowband and Broadband services via copper and fiber optic networks by a team of engineers who have experience and expertise in design for more than 10 years, including distribution of telecommunications equipment under the trademark  to more than 1 million domestic service providers with potential project management teams and management experience and the project management work has been accomplished according to the time that the customer has set more than 100 projects from the project level, worth 1 billion baht, respectively, such as MSAN, DWDM etc.



#### 2.2 Business of telecommunication product manufacturing and distribution

The business is operated by Forth Corporation Public Company Limited under the trademark of  which distributes a variety of products. The main products consist of telephone and internet exchange system (MSAN), telephone exchange (DLC), internet exchange (DSLAM), signal device (FORTH WDM Access Switch), digital telephone and IP phone system, IP DSLAM system, IP telephone technology (IP-PBX), charger and inverter control devices, data center service system via Call Center, nursing call system for hospitals (Nurse Call and Multi-Interface Broadband Router etc.



### 3) Related technology business

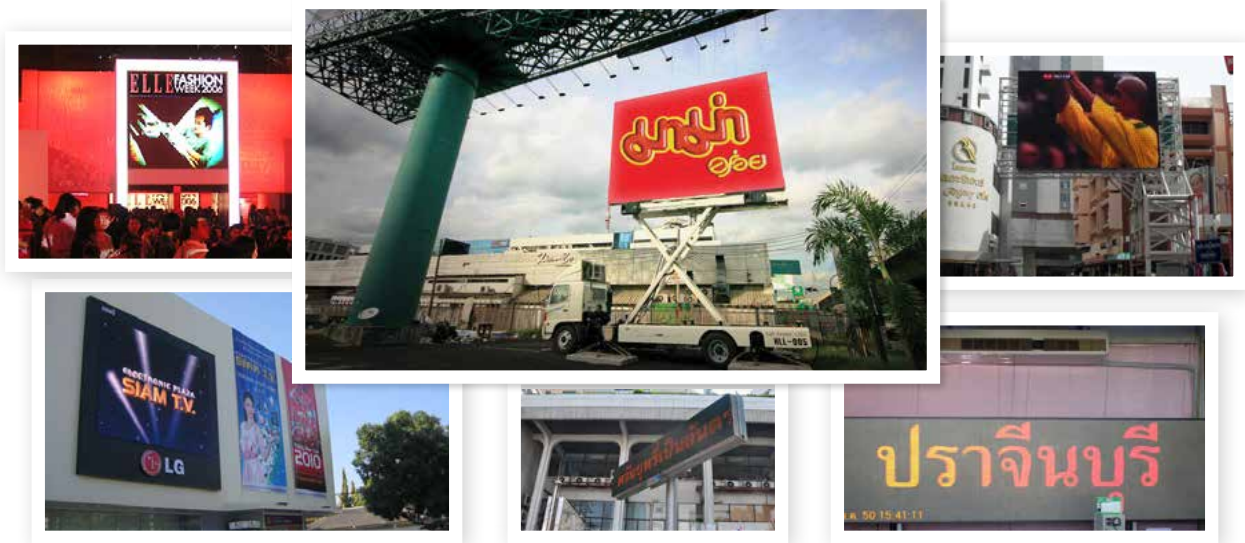
#### 3.1 Business of manufacturing and distributing integrated traffic light products

The business is operated by Genius Traffic System Company Limited which is a 100-percent owned subsidiary under the trademark of **FORTH** producing, distributing and installing products related to traffic system including related equipment e.g. LED full color Screen, Variable Message Screen (VMS), HID Electronic Ballast, signal lamp, traffic light Controller, intelligent traffic signal system including computer traffic control system countdown timer of people crossing the road, decorative lighting for buildings and places, Solar flashing lights. Etc.



#### 3.2 Business of manufacturing and distributing electronic signage products

The business is operated by Genius Traffic System Company Limited under the trademark **FORTH**. The main product includes the electronic monitors (Full Color LED Screen), electronic board displaying text or images for interior and exterior building (Moving Sign Board / Variable Message Sign: VMS), warning signs, LED intersections and system maintenance services etc.



#### 3.3 Business of producing and selling satellite vehicle tracking systems

It is operated by Forth Tracking System Co., Ltd., an associated company with 34% shareholding (66% of shares held by non-connected persons) operated under trademark **FORTH** with the main business covering production and distribution of vehicle data transmission equipment via satellite (Vehicle Tracking) for recording vehicle usage via satellite with GPS (Global Positioning System) system by reporting the vehicle data such as the location of the vehicle, travel route and speed of use including reporting the current status of the vehicle which will be alerted to the driver of the vehicle if driving off the route or driving at a speed that is overdue enabling users to manage vehicle usage more efficiently.



### 3.4 Business of manufacturing and selling electronic metering products

Operated by Forth Meter Company Limited, a subsidiary in which the Company holds 85% of shares (15% is held by non-connected persons) under the trademark **FORTH**. The main products include both one-phase and three-phase kWh electronic meter which is able to connect as an automatic processing system via RS485 Interface or LAN or to Ethernet and connect to the Billing program of the Exchange system of the Company. In addition, one-phase kWh meter is a prepaid card via RFID card and the water meter that is connected to the automatic processing system together with the kWh meter and it can be added via a wireless data transmission device for automatic water reading.



### 3.5 Business of Enterprise Resource Planning

Operated by Forth Corporation Public Company Limited and / or Fort Consulting Co., Ltd., a 100% owned subsidiary of the Company, to provide enterprise resource management services. Target customers are government agencies and state enterprises such as the Metropolitan Electricity Authority, the State Railway of Thailand, Thai Airways International Plc. Etc.

### 3.6 Business of manufacturing and distributing electric lamps and lighting equipment

Operated by Forth Lighting Company Limited, a 100% owned subsidiary of the company under the trademark **FORTH**. The business covers production and distribution LED lighting products and various lighting equipment such as LED Street Light, LED High Bay, which is suitable for use in high roof areas and requires a lot of lighting such as factories, warehouse, oil pump, supermarket and sports stadium, etc. spiral bulb (E27), halogen lamp (MR16), fluorescent tube (T8). This LED technology will help to solve the problem of power consumption by up to 80 percent with longer lifespan and generate less heat than ordinary tubes.



## 4) Retail business

### 4.1 Service business through domestic automatic payment machine

The business is operated by Forth Smart Service Public Company Limited, a subsidiary company in which the Company holds 48.96%\* (51.04% of shares held by non-connected persons) under the trademark **สบุณเดียม** operate as an electronic payment service provider, top-up service for prepaid mobile phones and online payment services via automatic payment machines or Boonterm kiosks in franchise systems through service agents and in collaboration with business partners to manage the Boonterm kiosk of the project such as 7-Eleven, Tesco Lotus, Family Mart, Tops, BTS Skytrain etc. to expand the customer base as well as the number of Boonterm to cover all over the country.

In 2016, Forth Smart Service Public Company Limited established Fort Smart Trading Co., Ltd. as a subsidiary which holds 99.99% of shares in order to conduct business related to selling products and other services related to Boonterm kiosk such as Boonterm, Counter Service, "Boonterm Top-Up 10 " with scales, fresh drinking water vending machine and cellphone top-up.

\*Excluding the treasury stock



### 4.2 Vending Machine Management Business

The business is operated by Forth Vending Company Limited, with Forth Smart Service Public Company Limited holding 45% and 10% of shares in such company, respectively (45% is shares by unrelated persons) under the trademark **FORTH** to operate the Vending Machine business and provide service for prepaid mobile phones and online payment services via the automatic payment system of Boonterm system.



### 4.3 E-Marketplace for online trading and e-Commerce businesses

In 2016, Forth Smart Trading Company Limited established Forth Smart Digital Company Limited as a subsidiary by holding 60% of the shares under the trademark **FORTH** to conduct business as a central market in online trading (e-Marketplace) under the name BeMall and supports the expansion of e-commerce related businesses.

## Research and Development Project

### SIM Card Vending Machine

The company has researched and developed a mobile phone SIM card dispenser to extend the service for mobile phone top-up, Boonterm. It is a cabinet stand that is designed for connecting to Boonterm top up kiosk. The interior consists of a SIM card dispenser and ID card reader to support the process of customer identification as well as verification via electronic system (e-KYC), which is the process for selling SIM cards.



### Internet of Things Gateway

The technology of Internet of Things or "Internet in everything" which means things linked to the internet world will enable humans to command and control the use of various devices easily at the fingertips via the internet network e.g. opening and closing devices and electrical appliances in buildings as well as daily appliances etc. The company therefore has researched on this and developed the IoT Gateway which can be used to check the temperature, humidity, including watching CCTV, controlling various electrical devices as well as the LED display via the internet. This technology is very useful in everyday life and it helps a lot in facilitating our living.

### Electronic Monitoring Device

The Research and Development team of the Company has researched on and designed the electronic personal tracking device or electronic monitoring (EM) of the second generation with smaller size but higher efficiency for using in court processing to control and track the provisional release of the accused or defendants who has insufficient securities, to reduce the number of inmates and reduce social inequality. This device can track, monitor and limit the travel of the person by wearing it around the ankle. This device helps to specify the location and deliver the co-ordinate data of the person who is temporarily released every 2 minutes, including real-time alerts on equipment such as shredding, cutting or removing the device without permitting.



### Electronic Monitoring for ship

Boat tracking device is an electronic device for the work scope of the Harbor Department to install on a illegal ships. This device will lock the boat's steering wheel as well as track and specify the position of the ship every 2 hours. If the device is removed, tried to open or destroyed the device without permission, it will send a real-time notification to the control room.

### IP Nurse Call

The IP Nurse Call is the inter communication system in the hospital between the nurses and the patients in order that the patients can talk to the nurses whenever they want with no need of telephone. With only one button, they can talk like they are in the same room. The IP Nurse Call device is further developed to increase the capability as well as the security of the existing Nurse Call system of the Company by operating via the Internet Protocol (IP) which enhances more efficiency for nursing, contentment and trust from the patients and relatives especially whenever patients are in emergency, they can call for help all the time.



### Electric Vehicle Charging Station

The Company has researched and developed the Electric Vehicle Charging Station which is wall type for charging battery of electric vehicles which supports the fuel nozzle in the standard of J1772 Type 1 (for vehicles from America and Japan) and of 62192-2 Type 2 (for vehicles from Europe). The electric car charging stations can be classified into 2 verions; sale version with standalone automatic charging and pay-per-use version which order and pay through the BeWallet application to meet today's technological advances.



### Glass Front Vending Machine

The Company researched and developed vending machines of clear glass type. The products to be sold in the vending machine can be in a variety of forms, such as in cups, boxes, bottles and cans, etc., and this clear glass machine can store more goods than the locker vending machine since it is equipped with elevator system to receive products without damaging them and a cooling system. This cabinet is connected to the vending machine same as the locker vending machines.



# FORTH Technovation

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

1989-2003



- Develop Access Network Product

2005

- Implement DLC to TOT (TDM-Voice)

2006



- IP PBX, IP Phone
- VoIP Gateway

2007



- Forth WDM Access Switch
- Top UP Machine

2010-2011

- Android Tablet
- Smart IP Phone
- Speaker
- ONU
- Wi-Fi Outdoor
- Wi-Fi Indoor
- LED Streetlight

2012-2013



- Counter Service
- Antenna Indoor / Outdoor
- Set Top Box
- E27 / MR16 / Downlight
- Wi-Fi EasyPass
- Mini IPX

2014



- Boonterm 10"
- Water Vending & Top-up Machine
- Weight Scale
- Vending Machine
- LED T8
- LED Streetlight
- Golf Caddie
- ECO-S

2015



- Online Gasoline Vending Machine
- Passive Optical Network GPON-8 for High Speed Internet

2016



- Electronic Monitoring Device

2017



- EV Charger Station
- Electronic Monitoring Device (V.2)
- Electronic Monitoring for ship
- Glass Front & Locker Vending Machine

2018



# Corporate Social Responsibility Activities

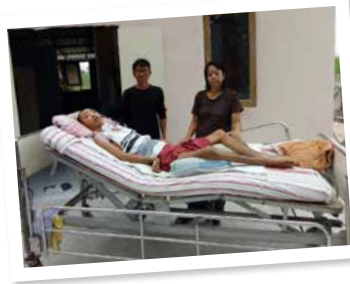
## Cheunjai Vending Project for the Disabled



### The persons in "Cheunjai Vending Project"



Mr. Thongdaeng Pengpinij from surin



Mr. Sathapat Khanuttha from Chonburi



## Blood donation to the Faculty of Medicine at Siriraj Hospital





## Forth Smart's Direction in 2019

The 3-year target (2019 - 2021) is to continue to grow continuously.

Since the company has an important mission that focuses on manufacturing and innovative services that use modern technology to reduce production costs and meet the needs of customers effectively. The company therefore would like to summarize the directions or operation guidelines which are divided into 3 main areas as follows.

### **Business on Electronics Manufacturing Services or electronics manufacturing and assembly business (EMS)**

The company has a factory to produce electronic and telecommunication products with a standard certification system on an area of over 16,000 square meters, divided into 3 production lines (15 SMT, 3 lines of Manual Insertion and 2 line of Final Assembly) The company continues to focus on developing and improving production technology continuously by concentrate on increasing production capacity to increase production efficiency along with reducing production costs and reducing waste generation. In the year 2018, the company has the production capacity of electronic circuits 2,298 million points while the actual production is about 44 percent. In addition, the company has expanded 1 more plant on the area than 50,000 square meters consisting of factory buildings Building, measuring and testing lighting, storage warehouses, etc. to support the production of large parts such as Vending machines, traffic lights, control cabinets and the final assembly of all group companies including being a warehouse for storing various spare parts and finished goods.

In the year 2019, the factory target to increase production capacity to be more efficient from continuously inventing innovative products and aim to develop the team of knowledge, ability and expertise as well as realization of the use of resources in a cost-effective and safe production.



### ● **Telecommunication and Related technology business**

The company has expertise in operating the business on system Integration (SI) that cover from designing, installing computer system both integrated hardware and software systems including connecting technology through a network that can be controlled from the central area, such as traffic light control Electronic monitoring, etc. Most of the work is from project bidding in various government agencies and state enterprises as the company has expertise in doing SI business, including the engineering team, specialist in finance and understanding of regulations various practices of government and state enterprises. This results in the company being able to expand to various agencies more of the government sector.

The economic situation in the year 2019 is likely to improve. In addition, the company continues to develop and innovate new products and services that meet the needs of customers and focus on using the modern technology or the Internet of thing to solve the problem at the right spot and the company has plans to bid for work in many of the government agencies with relatively high project value, whether telecommunication, public utilities including receiving jobs from a large number of private agencies which will continue to grow for the telecom service business and related technology businesses.

● **Retail Business or retail service business**

Business operation by Forth Smart Service Public Company Limited which is a subsidiary company in which the company holds 47.56% of shares. In 2018, the company's performance continues to grow and become the number one leader in the field of online payment business.

In the year 2019, the Company still focuses on the management of quality Boonterm kiosk with the goal of managing the average amount of prepaid value per month (ARPU) to grow at least 5% from 2018, expanding the Boonterm kiosk network in an additional quality location by 5,000 kiosk by the end of 2019 with the value of service through Boonterm kiosk to grow at least 10% from 2018 with various serviced provided. The Company aims to be a leader in providing comprehensive payment services and continuously focus on offering new products and services in order to respond to the needs of customers more than just topping up mobile phones, whether it is the money transfer services to bank accounts, accepting bank loan payments or other bill payment. In the year 2019, the company plans to add money transfer services to 2 other banks, namely the Government Savings Bank and Bangkok Bank and extend the ability of Boonterm kiosk to sell SIM cards for mobile phones as well as to open electronic deposit accounts and register SIM with Electronic Know Your Customer (e-KYC) system in order to expand the base of Boonterm kiosk users and increase the average usage transaction of the service through the kiosk. In addition, the company also provided new business to continuously expand customer groups.

Forth Smart Digital Company Limited, a subsidiary of Forth Smart Service Public Company Limited, continues to improve and develop the platform in the form of electronic wallet applications on mobile phones (E-wallet) under the name "BeWallet" that can support both iOS and Android systems continuously to support the growth of new technologies including changing the behavior of customers in the future by allowing BeWallet to be a center for receiving payments and paying for various products which are under the management of the Group such as Boonterm, Vending machine business, including EV Charger. Since the trend of using smartphones for various transactions continues to increase in the present, the application "BeWallet" will be another way to expand the business together with Boonterm customers as well as new customers who will get more convenience through the use of the "BeWallet" application. In addition, the company continues to expand the sales of products through a network of existing agents to create new channels of trading by the development of new automated vending machines from Forth Vending Ltd. Co. The company has installed more than 2,000 vending machines in Thailand and also plans to expand the vending machine market to cover more areas and create a business that will be able to continue and be sustainable in the future.



## Board of Directors

### Mr. Sanit Vorapunya

Age 80 years old

Chairman of BOD/ Independent Director

Company's Shares Possession (%)

As of 28 August 2018: -None-

#### Education and Training Background

- M.A. (Econ.), University of Wisconsin, USA
- B.A. of Economics, Thammasat University
- Certification of Thailand National Defence College
- Director Accreditation Program (DAP) No. 24/2004, Thai Institute of Directors (IOD)

#### The relevant important positions of the 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

### Mr. Pongchai Amatanon

Age 55 years old

Director/ Executive Committee/

Risk Management Committee

Company's Shares Possession (%)

As of 28 August 2018: -41.75- (\*)

(\*) Including spouse and immature children

#### Education and Training Background

- B.A. of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Certification of Thailand National Defense College Batch 58
- Top executives program, Capital Market Academy, Batch 14
- Director Accreditation Program (DAP) No. 30/2004, Thai Institute of Directors (IOD)

#### The relevant important positions of the other companies

- Director of Forth Smart Service Public Company Limited
- Director of Forth Smart Trading Company Limited
- Director of Forth Vending Company Limited
- Director of Forth Lighting Company Limited
- Director of Forth Consulting Company Limited
- Director of Electronic Source Company Limited
- Director of Forth Tracking System Company Limited
- Director of Forth Meter Company Limited
- Director of Genius Traffic System Company Limited
- Director of Odin Power Company Limited

### Mrs. Rangsee Lertripinyo

Age 58 years old

Director/ Executive Committee/

Risk Management Committee/

Nomination and Remuneration Committee

Company's Shares Possession (%)

As of 28 August 2018: -6.19- (\*)

(\*) Including spouse and immature children

#### Education and Training Background

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

#### The relevant important positions of the other companies

- Director of Forth Smart Digital Company Limited
- Director of Forth Smart Service Public Company Limited
- Director of Forth Smart Trading Company Limited
- Director of Forth Vending Company Limited
- Director of Forth Lighting Company Limited
- Director of Forth Consulting Company Limited
- Director of Forth Meter Company Limited
- Director of Electronic Source Company Limited

## Board of Directors

### Mr. Kaelic Amatanon

Age 63 years old

Director

Company's Shares Possession (%)

As of 28 August 2018: -6.03-

#### Education and Training Background

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

#### The relevant important positions of the other companies

- Director of Electronic Source Company Limited

### Mrs. Vilasinee Puddhikarant

Age 64 years old

Director/Independent Director / Audit Committee /

Nomination and Remuneration Committee

Company's Shares Possession (%)

As of 28 August 2018: -None-

#### Education and Training Background

- B.A. of Economics, East Texas State University, Texas, USA.
- Certificate of Good Governance for Medical Executives, The Medical Council of Thailand
- Capital Market Academy (CMA), Capital Market Academy
- Director Certification Program (DCP) No. 134/2010, Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) No. 29/2018, Thai Institute of Directors Association
- Strategic Customer Management Universal Network Intelligent, Singapore
- The 7 Habits of Highly Effective People KLC, United Kingdom

#### The relevant important positions of the other companies

- Director Independent Director / Audit Committee, Pram 9 Hospital
- Independent Director / Member of Executive Committee, SC Asset Corporation Public Company Limited
- Consultant, SCB Abacus Company Limited
- Consultant, Advanced Info Service Public Company Limited

### Ms. Noparat Siripongpreeda

Age 44 years old

Director

Company's Shares Possession (%)

As of 28 August 2018: -None-

#### Education and Training Background

- B.A. of Economics, Chulalongkorn University
- Director Accreditation Program (DAP) No. 154/2018, Thai Institute of Directors (IOD)
- Senior Leader of Team Course (Shell, 2013)
- Women's Career Development Program (Shell, 2011)

#### The relevant important positions of the other companies

- Director of Electronic Source Company Limited

### Mr. Somboon Muangklam

Age 66 years old

Director / Independent Director / Chairman of Audit Committee /

Chairman of Nomination and Remuneration Committee

Company's Shares Possession (%)

As of 28 August 2018: -None-

#### Education and Training Background

- B.A. of Laws Program (LL.B), Ramkhamhaeng University
- Barrister at Law, the Institute of Legal Education Thai Bar Association
- Director Accreditation Program (DAP) No. 77/2009, Thai Institute of Directors (IOD)

#### The relevant important positions of the other companies

- Member of Bangkok Metropolitan Council
- Qualified Committee, the Institute for the Promotion of Teaching Science and Technology (IPST)

## Board of Directors

### Mrs. Porntip Lerttanongsak

Age 42 years old

Director / Independent Director / Audit Committee /  
Chairman of Risk Management Committee

Company's Shares Possession (%)

As of 28 August 2018: -None-

#### Education and Training Background

- B.A. of of Accountancy (Accounting), Faculty of Commerce and Accountancy, Chulalongkorn University
- Director Accreditation Program (DAP) No. 152/2018, Thai Institute of Directors (IOD)
- "Operational Issues of Standard on Auditing : Auditor Report and Sampling" Course
- Workshop seminar on "The problem and solution of common audits Issue" on 4-5 June 2018
- "Examining the calculation of employee benefits by using computers and recognition of assets and liabilities from acquisition and the assessment of an impairment of assets" Course on 23 January 2018
- "Draft of Thai Financial Reporting Standard 1: First time adoption of Thai Financial Reporting Standard Financial Instruments (IFRS 1)" Course on 29 June 2018
- Lecture and discussion seminar on "Using Expert's work" on 4 July 2018

#### The relevant important positions of the other companies

- Audit Partner, AST Master Company Limited

### Mr. Boonya Tantipanichapun

Age 57 years old

Director / Executive Committee /  
Risk Management Committee

Company's Shares Possession (%)

As of 28 August 2018: -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, Thai Institute of Directors (IOD)
- Certification of Thailand National Defense College Batch 60
- Top executives program, Capital Market Academy, Batch 23

#### The relevant important positions of the other companies

- Director of Genius Traffic System Company Limited

### Mrs. Matinee Wandeepirom

Age 57 years old

Director / Nomination and Remuneration Committee

Company's Shares Possession (%)

As of 28 August 2018: -2.58-

#### Education and Training Background

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

#### The relevant important positions of the other companies

- Director of Genius Traffic System Company Limited

## Management Team

### Mr. Pongchai Amatanon

Age 55 years old

Chief Executive Officer

Company's Shares Proccession (%)

As of 28 August 2018: -41.75- (\*)

(\*) Including spouse and immature children

#### Education and Training Background

- B.A. of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Certification of Thailand National Defense College Batch 58
- Top executives program, Capital Market Academy, Batch 14
- Director Accreditation Program (DAP) No. 30/2004, Thai Institute of Directors (IOD)

### Mrs. Rangsee Lerttripinyo

Age 58 years old

Senior Executive Vice President

Company's Shares Proccession (%)

As of 28 August 2018: -6.19- (\*)

(\*) Including spouse and immature children

#### Education and Training Background

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

### Mr. Arin Jamnaree

Age 46 years old

Vice President of Accounting and Finance/  
Corporate Secretary

Company's Shares Proccession (%)

As of 28 August 2018: -None-

#### Education and Training Background

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

### Mr. Chatchavin Pipatchotitham

Age 46 years old

Executive Vice President

Company's Shares Proccession (%)

As of 28 August 2018: -None-

#### Education and Training Background

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

### Mr. Pramote Pantina

Age 50 years old

Vice President of Production

Company's Shares Proccession (%)

As of 28 August 2018: -None-

#### Education and Training Background

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

### Mr. Katanyoo Wilaikaew

Age 49 years old

Vice President of Research and Development

Company's Shares Proccession (%)

As of 28 August 2018: -0.02-

#### Education and Training Background

- B.A. of Electronics Engineering, Rajamangala Institute of Technology
- High Vocational Certificate of Electronics, Rajamangala Institute of Technology

### Ms. Nitiya Songprapai

Age 59 years old

Vice President of Central Administration

Company's Shares Proccession (%)

As of 28 August 2018: -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

## 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. 256, 5 <sup>th</sup> Floor and 6th Floor Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2062-4970, Fax : 0-2062-4999	Distribution of electronic parts	Common	500,000	499,994	100.00%
3	Joint Venture Genius 1053/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok 10400	Concession for traffic board project	-	-	-	100.00%
4	Forth Smart Service Pcl. 256 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2278-1777, Fax : 0-2279-7195	Online top-up services and automatic prepaid mobile phone	Common	800,000,000	381,888,400	47.74% <sup>(1)</sup>
5	Forth Consulting Co., Ltd. 1053/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok 10400 Tel : 0-2265-6700, 0-2271-2888 Fax : 0-2615-0615, 0-2279-4888	Consulting service for information management and computer software management	Common	330,000	329,998	100.00%
6	Forth Lighting Co., Ltd. 1053/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok 10400 Tel : 0-2271-4888, Fax : 0-2271-3040-41	Manufacture and distribution of lamps and lighting equipment	Common	100,000	9,996	100.00%
7	Forth Tracking System Co., Ltd. 252 S.P.E. Tower Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2615-0808, Fax : 0-2615-0809	Distribution of vehicle tracking system	Common	300,000	101,991	34.00%
8	Forth Meter Co., Ltd. 1053/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok 10400	Distribution of Electronic Meter	Common	4,000,000	3,399,997	85.00%
9	Forth Vending Co., Ltd. 1053/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok 10400	Management of vending machine	Common	32,000,000	17,599,985	55.00% <sup>(2)</sup>

Item No.	Business name/Location	Business type	Share type	No. of Outstanding shares	No. of Shareholding	Percentage of Shareholding
10	Mindmap Commtech Inc. 8 <sup>th</sup> Floor, Salamin Building, 197 Salcedo, Legaspi Village, Makati City, Metro Manila, Philippines	Ceased the operations	Common	150,000	150,000	100.00%
11	FPT Payment Technology JSC <sup>(3)</sup> FPT Tan Thuan Building – 2nd Floor. 29B - 31B - 33B, Tan Thuan Street, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, Dist.7, HCM City, Viet Nam	Ceased the operations	Common	4,200,000	1,260,000	30.00%
12	Forth Smart Trading Co., Ltd. 256 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2278-1777, Fax : 0-2279-7195	Selling products and services relating to Boonterm kiosk	Common	30,000,000	29,997,000	100.00% <sup>(3)</sup>
13	Odin Power Co., Ltd. 333/3 Moo.6 Bangpreang Bangbor, Samutprakarn 10560	Investment in renewable energy power plant companies	Common	2,000,000	200,000	10.00%
14	Forth Smart Digital Co., Ltd. 256 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Selling products and operate as a platform for online trading	Common	10,000,000	5,999,998	60.00% <sup>(4)</sup>
15	Joint Venture Forth Genius 1053/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok 10400	Installing Closed-circuit television camera	-	-	-	100.00%

Remark: <sup>(1)</sup> Including treasury stock that held by Forth Smart Service Pcl.

<sup>(2)</sup> 45% held by the Company and 10% held by Forth Smart Service Pcl.

<sup>(3)</sup> 100% held by Forth Smart Service Pcl.

<sup>(4)</sup> 60% held by Forth Smart Trading Co.,Ltd.



## Significant changes and developments

in 2018, the Company and its subsidiaries had significant changes and developments as follows :

- Forth Corporation Public Company Limited had purchased the ordinary shares of Forth Smart Service Public Company Limited, resulting in the shareholding proportion from 45.75 percent to 47.74 percent.

- Forth Smart Service Public Company Limited purchased 20,000,000 shares, representing 2.50% of the registered share capital and paid-up capital, through the Stock Exchange of Thailand.

- Forth Consulting Company Limited increased the registered capital from 10 million baht (100,000 ordinary shares with a par value of 100 baht per share) to 33 million baht (330,000 ordinary shares with a par value of 100 baht per share) by issuing Sell 230,000 new ordinary shares at a par value of 100 per share to existing shareholders.

- Genius Joint Venture reduced its registered capital from 25 million baht to 15 million baht and paid the return of capital to both partners in proportion to the investment of the joint venture partner.

## Revenue structure

	2018		2017		2016	
	(Million THB)	%	(Million THB)	%	(Million THB)	%
<b>Revenues from major business</b>						
Electronics Manufacturing Services business						
- Manufacturing and distribution of telecommunication and electronics equipment under customer brands	673	8.33	1,347	18.80	690	12.72
- Distribution of electronics parts	985	12.19	953	13.30	967	17.82
Telecommunication business	818	10.12	483	6.74	264	4.87
Technology related business						
- Manufacturing, distribution and installation of traffic light system and related equipment, CCTV and electronic boards	1,767	21.87	800	11.17	785	14.47
- Development and implementation of ERP system	9	0.11	70	0.98	117	2.16
- Others	82	1.01	43	0.60	120	2.20
Retail Service Business	3,481	43.08	3,254	45.41	2,319	42.74
<b>Total revenues from major business</b>	<b>7,815</b>	<b>96.72</b>	<b>6,950</b>	<b>97.00</b>	<b>5,262</b>	<b>96.98</b>
Other revenues	265	3.38	215	3.00	164	3.02
<b>Total revenues</b>	<b>8,080</b>	<b>100.00</b>	<b>7,165</b>	<b>100.00</b>	<b>5,426</b>	<b>100.00</b>

# Market Outlook and Competition

## Competitive Strategies of the Company

From conducting business in various aspects related to the products in the electronics industry for a long time, entering the 30<sup>th</sup> year, the company is well-equipped in the marketing, research and completed production, as well as having subsidiaries and associated companies that operate the business supporting each other with business strategies as follows:

### Product Strategies

#### Continuous product development in order to increase variety of products and business lines

From long experience in doing business, the company realizes that to be able to operate the business sustainably the Company must add new products to be diverse and make the product always up to date. Therefore, the company has always focused on research and product development and establish them as a department which consists of personnel with expertise in the production of electronic-related products, serving to develop new products for the company to meet the needs of customers. In the past, the said department has continuously developed the product to be the new product of the Company. Therefore, this enhances the company to have a wider customer base and can reduce the risk of operating the business of the company.

#### Use of production technology that are supportable to the modification of new product production

The company has a policy to regularly invest in machinery with modern technology in order to support the production of sophisticated products for customers, the factory also has production standards, received ISO 9001: 2008 certification from the SGS (THAILAND) LIMITED SYSTEM SERVICE Certification Institute which allows customers to be confident that the company has standardized production processes. In addition, the production line management is able to accommodate in the production of new products in order to be able to use the machine efficiently under changed orders and can also support production for various products of the company as well.

#### Focus on after-sale services and customer satisfaction

The company focuses on providing continuous after-sales service by the company's customer service department and receiving support from dealers across the country, such as providing advice on using products with expertise, providing spare parts services with adequate reserves and have a quick fix repair service. These create customers' positive perception for the products and the product trademarks' recognition, and enhance trust and confidence in using the products or services resulting in the company earning as well as building good relationships with customers. This also includes survey on customer satisfaction for continuous improvement of the services.

#### Focus on use of FORTH's trademark for the marketing of the Company's products

Since the company has been operating for a long time with a variety of products under the trademark FORTH., therefore, currently the products of the company are known and are widely recognized for quality and service, enabling the company to market the company's products for consumers to accept more easily.

## EMS Business

### Competition in Electronic Industrial Business and Electric Appliances

The electrical and electronic appliance industry is considered an important industry for the country's economy which can generate income from exports to many countries. The electrical and electronic industry has been expanding rapidly and continuously, therefore, making it an industry that is more important to the economy of the country. It is also an industry that plays an important role in supporting labor in the industrial sector because it is an industry that has hired a lot of workers. Thailand has the potential of production factors, whether human resources, knowledge resources with the development of the production of products or products that are more diverse. As when considering the geography, it was found that Thailand has a commercial advantage in the Indochina region and have the potential to be a regional center. Therefore, it is a factor that has a positive influence on transportation. The growth rate of the electrical and electronic industry in Thailand is a rapid leap growth which results in benefits for the national economy, both directly and indirectly, ie employment and increased investment. However, Thailand still lacks the potential to compete in innovation or creative diversity when compared to other countries.

For the printed circuit board in the competitive world market, there is a strong competition especially the competition from China which has the advantage of production cost and also a manufacturer of products for companies in the United States, EU countries And Japan which, despite the price pressures caused by PCB manufacturers in China that have caused the production of cheap products to increase in the market and result in indirect price comparisons but the electronic printed circuit board products manufactured in China are not direct competitors of the company because manufacturers in China will focus on the lower-end product market due to the production technology used in mass production, which focuses on mass production with low cost and lower product quality standards compared to Thailand which the company is considered a manufacturer of high technology PCBs, which, if it is able to control production costs well, the business will not be affected by that competition since the Company focuses on quality and reliability rather than price competition. Apart from that, China's production cost is likely to increase. Thailand therefore has the advantage of producing electrical and electronic circuit boards compared to other ASEAN competitors. In addition, the expansion of contracted electronic manufacturing companies (CEM) makes Thailand, a core market of electronic circuit board assembly with the opportunity to grow in the future and the Company has been trusted by customers both domestic and foreign customers on continuing manufactures.

For the long term, the electronics industry in Thailand will have to adjust the new strategy to maintain this production base in Thailand. The important strategy is to use advanced technology for the production. It will be a challenge because technology has changed over time. By using more skilled workers which can happen here by , the Company requires cooperation between the government, the private sector and education as well as strengthening the supply chain systems.

## Telecommunication Business

### Competition in Telecommunication Industry and Telecommunication Device Manufacturing and Distribution

The overall market for the telecommunications industry is still growing. The value of the equipment market of wired communications has not grown significantly compared to the wireless communications market with a leap growth rate. However, competition is intense from wired broadband internet providers especially the new comer entering the market who offers broadband services via fiber optic network technology which encourages other service providers to invest and develop their networks to such technology in order to maintain or increase market share. For the overall communication service market, there is a tendency to grow from mobile phone services but fixed telephone services that are likely to decrease due to changes in telecommunication network technology and the behavior of consumers who have needs for high-speed internet. Using internet on smartphones tends to grow. In addition, it is promoted by the government for national broadband policies with the objective to support and develop the use of broadband services as a basic public utility to allow people to access

and utilize broadband development fully which will help reduce inequality and improve the quality of life of the people and to increase the competitiveness of the telecommunications of the country.

## **Related technology business**

### **Competition and marketing strategies of the production and installation of traffic light systems**

The company is considered the market leader of the country in the traffic light system product business by being the first company in Thailand who has developed the LED traffic light system products. With outstanding products from functional tests by various agencies such as in 2003, the traffic light control cabinet products, LED traffic light and LED countdown timer have passed the quality certification from the Thai Industrial Standards Institute (TIS). In the year 2004 - 2005, traffic light lamp products and traffic lights for road crossing has been certified by the Department of Science Service, etc. and with the properties of such LED lamps that use less electricity than Halogen lamps, the service life is 5 – 10 years longer than the traditional ones and provides safety to the car users and people using the road higher since the traffic lights consists of a large number of LED bulbs, if one of the tubes has expired or deteriorated, the lamp will still function normally as the road users may not feel the difference. Therefore, various government agencies both in Bangkok and upcountry have accepted the company's products for installation to replace the old traffic lights that have deteriorated or use to install along the emerging intersection. At present, the company focuses on production to replace the existing products that are damaged and deteriorated.

Currently, the Company is still the leader of all traffic light systems in Thailand by being trusted by Bangkok Metropolitan Bureau to carry out all traffic light installation projects in Bangkok and to maintain the number one position, the company continues to focus on developing new products continuously. This enables the company to gain competitive advantage both locally and internationally, both in the after sales service and providing fast maintenance services because the company is a manufacturer, has sufficient raw materials and spare parts, no need to wait to buy spare parts from abroad, which takes longer and the quality that is more standard than products from China or Taiwan at competitive prices.

### **Competition of the manufacture and distribution of electric lamps and lighting equipment**

Lamp market and lighting lamps in Thailand worth 20 billion baht, which is likely to continue to expand in line with the expansion of the property sector and orders from government and private agencies. In addition, the End consumer's behavior that wants to change to use better quality products, more energy saving or have a more beautiful form including changing new products instead of old ones that are damaged or expired as well as the government policies that promote the use of energy-saving lighting products. All those factors have a significant impact on the growth of this business.

At present, the LED tube technology is becoming more and more popular since LED bulbs save more energy, longer life and have more flexibility in use than conventional lamps. Even though the price is higher, the benefits mentioned above make it more popular. The operators predict that the LED lighting market will increase to 50% in the next 5 years and increase to 80% in the next 10 years from the current 25% of the total lamp market while the chopsticks have a proportion of 40%, 25% moonlight bulbs and 10% incandescent bulbs. As a result of increasing market share, the lighting industry is affected and the competitive situation with more new entrepreneurs in the business force them to compete in terms of quality, price and beauty of the product. The operator who cannot adapt will be affected and may have to terminate the business.

### **Competition of satellite vehicle tracking system products (GPS Tracking)**

In 2018, the market conditions for GPS tracking systems continue to grow due to the expansion of domestic transportation business and the growth of the AEC, CLMV market, as well as the policy from the Department of Land Transport for buses and trucks to be equipped with a GPS that is certified and standardized, causing the GPS Tracking

market to be quite awake and with high competition. There are many manufacturers and suppliers of GPS tracking to compete in the market share with both companies producing their own products and importing them.

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

#### **Industry conditions and online prepaid business competition**

Currently, the business providing payment services via automatic payment machines or prepaid kiosk businesses is still have a lot of competition according to the needs of many existing consumers. This results in an increase in the number of vending machines in the market. However, the company continues to maintain its leadership in the automatic payment business. In 2018, the company has the market share from the pre-paid prepaid mobile phone market through Boonterm kiosk accounted for more than 22% of the market value of more than 130,000 million baht. " and has a tendency to increase the market share continuously. It was found that at the end of 2018, there were 23 million subscribers using the top-up service via Boonterm kiosk or representing 33% growing up from the prepaid mobile phone numbers over 69 million of domestic numbers.

New entrepreneurs who want to enter the automatic payment machine business will encounter barriers such as economy of scale, investment capital (Capital Requirement) Brand Loyalty, knowledge and experience in Learning Curve, server system and agent management, etc. while Boonterm kiosk has the largest number of kiosks with covering all areas of the country, more than 130,053 units with various services of efficiency and precision of the server systems as well as the reliability in providing financial services with standardized management systems, such as providing money transfer services to Krung Thai Bank accounts, Kasikorn Bank and Bank of Ayudhya which has been approved by the Bank of Thailand by appointing the Company to be a bank representative including continuous development of new products and services, such as Boonterm kiosk, screen size 10 inches, and Boonterm counter service, Clean drinking water dispenser and mobile top-up etc.

From the strength of Boonterm that customers have given confidence in the quality of the service for over 10 years, as well as the management of the franchise model operated by the agents as well as small agents has enabled the expanding number of the kiosks with quality and maintaining the top-up amount per cabinet by selecting potential locations which makes the main agents and small agents grow sustainably and makes the company currently maintain its number one position in the automatic payment receivers business.

The company continues to increase the development of new automated vending machines at all times in order to increase sales and create new channels of business through the existing agents. In 2018, the automated vending machine of Forth Vending Co. Ltd. has been set up more than 2,000 units throughout the country and also plans to expand the business to cover more areas and create a business that will be able to continue and be sustainable in the future.

## Risk Factors

The Company 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 Company 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 Company has assessed the main risks that can affect the business operation as follow:

### 1. Financial 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 Company and its subsidiaries expected to acquire more revenue from them through auctions and also contractors. The Company and its subsidiaries therefore needed to manage efficiently liquidity system to support public sector's project. However, the Company and its subsidiaries have 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 Company and its subsidiaries especially hold a circulating capital sufficient for supporting the long-term cash flow of those specific customers. Apart from that the Company and its subsidiaries also reserve sufficient loan provision and request additional loan from commercial banks to support efficient liquidity management in the long run.

### 2. Operational risk

#### Risk relating to project delivery

The operations of projects by the Company and its subsidiaries normally have duration of 3 months to 1 year depending upon project size. If the Company and its subsidiaries fail to deliver the project on the due date stated in the contract, the Company and its subsidiaries may be fined or lose credibility to the project operator. The penalty will affect the profitability of each project. Therefore the Company and its subsidiaries have policy to closely and carefully monitor and manage projects. In the last 3 years, the Company and its subsidiaries were fined less than 0.05% of project's value. In order to prevent such risk, the Company and its subsidiaries always coordinate 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. Large number of inventories from slow distribution might result in obsolete products, which require high management cost. Hence, the Company and its subsidiaries continuously have consideration to set up the allowance for obsolete inventories in order to cover and to be realistic. 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 inventories 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.

### **3. Marketing risk**

#### **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.

### **4. Risk affecting the rights or investments of holders of securities**

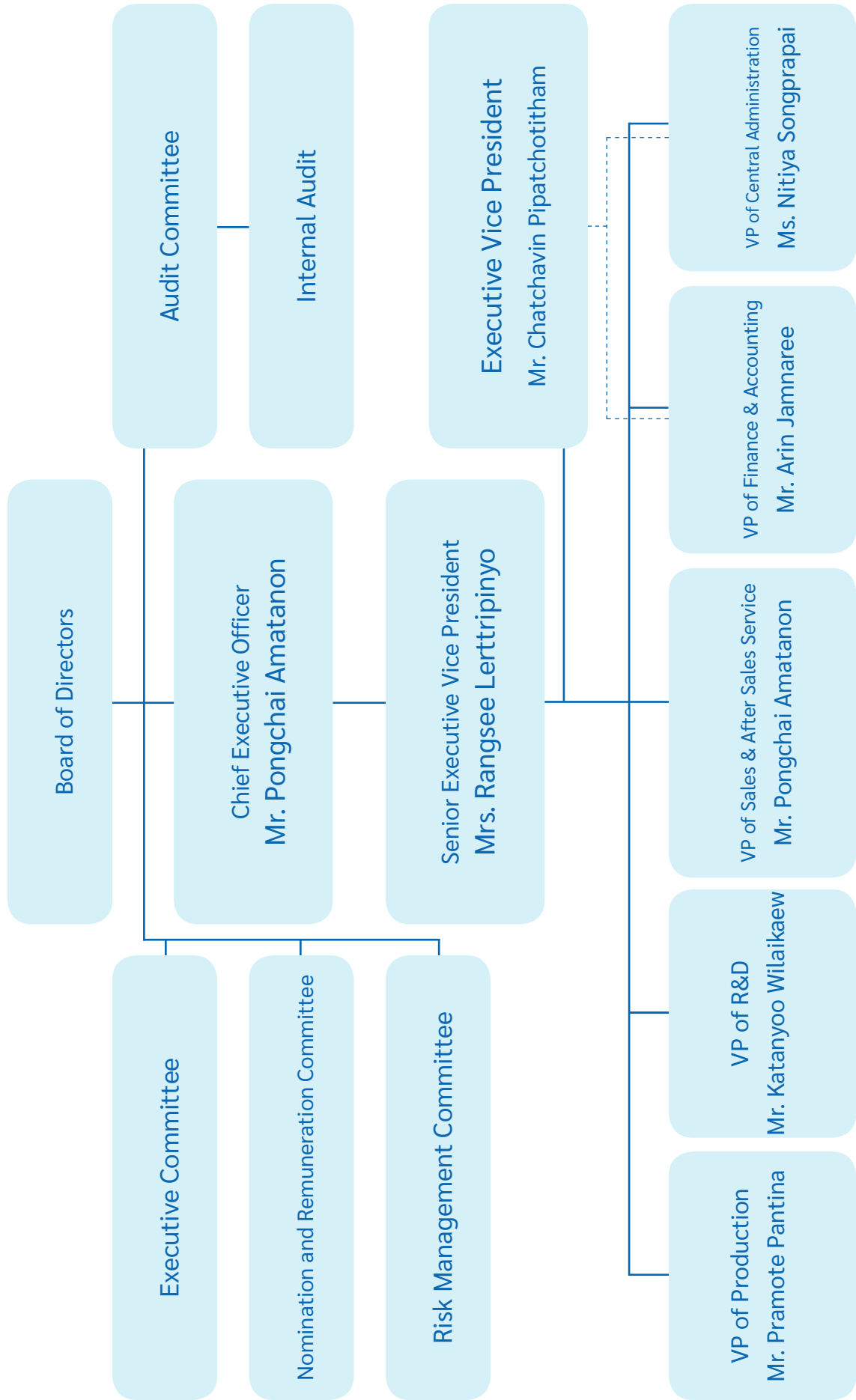
#### **Risk from a shareholder group, which held of more than 50% of the Company's share capital**

As at 28 August 2018 Amatanon family was still the major shareholder of the Company with shareholding of 54.43%, 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 Chart



## Management Structure

The management structure of the company consists of 5 committees, including:

- 1) Board of Directors
- 2) Executive Committee
- 3) Audit Committee
- 4) Nomination and Remuneration Committee
- 5) Risk Management Committee

Details of each committee are as follows:

### Board of Directors

The Board of Directors consists of 10 directors, 6 of which are executive directors or 60% of the total number of directors and 4 independent directors or 40 percent of the total number of directors.

List of the Board of Directors of the Company at 31 December 2018

No	Name	Position
1	Mr. Sanit Vorapunya	Chairman of the Board of Directors
2	Mr. Somboon Muangklam <sup>1</sup>	Director
3	Mrs. Vilasinee Puddhikarant <sup>1</sup>	Director
4	Ms. Pornthip Lerttanongsak <sup>1</sup>	Director
5	Ms. Nopparat Siripongpreeda <sup>2</sup>	Director
6	Mr. Pongchai Amatanon	Director
7	Mrs. Rangsee Lertripinyo	Director
8	Mr. Kaelic Amatanon	Director
9	Ms. Matinee Wandeepirom	Director
10	Mr. Boonya Tuntipanichapun	Director

Note: <sup>1</sup> The 2018 Annual General Meeting on April 23, 2018 resolved to appoint Mr. Somboon Muangklam Mrs. Vilasinee Puddhikarant and Mrs. Pornthip Lerttanongsak to be a director.

<sup>2</sup> The Board of Directors Meeting No. 3/2018 on May 11, 2018 resolved to appoint Miss Nopparat Siripongpreeda to be a director.

All directors are fully qualified according to the law, such as the Public Limited Company Act and the Securities and Exchange Act and do not have any prohibited characteristics according to the laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. of Thailand.

### Authorized Director for the Company

Authorized directors consist of Mr. Pongchai Amatanon, signed with Mr. Kaelic Amatanon or Mrs. Rangsee Lertripinyo or Mrs. Matinee Wandeepirom, totaling 2 persons and the company's seal.

## Scope of duties and responsibilities of the Board of Directors

1. The Board of Directors must perform duties in accordance with the law, company objectives and regulations as well as the resolution of the shareholders' meeting with honesty and carefulness to protect the interests of the company.

2. Arrange for an annual general meeting of shareholders within 4 months from the end of the accounting period of the company.

3. Arrange for a Board meeting at least once in 3 months' time.

4. Arrange for the company balance sheet and profit and loss statement at the end of the accounting period which is audited by the auditor and presented to the shareholders' meeting for consideration and approval.

5. The director may appoint any other person to operate the business of the company under the control of the director or may authorize such person to have the authority as the director deems appropriate and the Board of Directors may cancel, revoke, change or amend such authority as deemed appropriate.

In this regard, the authorization must not have the characteristics of giving power to the attorney to consider and approve items that may have conflicts, have interests or have conflicts of interest with the company except for approval of items that are in accordance with the policies and criteria approved by the Board of Directors.

6. Determine policies and directions of the company's operations including effectively and efficiently supervising the management to comply with the policy and strategies defined.

7. Determine the vision, mission, policies and business strategies of the company and review them every year.

8. Consider to approve the Company's investment and annual budget.

9. Supervise the Company's operation to comply with the Securities Exchange Act including the regulations and requirement of the Securities and Exchange Commission i.e. connected transactions or acquisition or disposal of assets according to the regulations of the Stock Exchange of Thailand and the laws related to the business of the company

10. 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.

11. Directors must inform the company directly and indirectly of any conflicts of interest, such as holding shares of the company or affiliated companies in increasing or decreasing numbers, etc.

However, the director must not conduct business or become a partner or to be a director in other juristic persons that operate the same business and compete with the business of the company, whether for their own benefit or for others unless he has informed the shareholders' meeting prior to the appointment.

## Scope of approval authority of the Board of Directors

The Board of Directors has the scope of authority to approve various matters as summarized below:

- Consider administrative work
- Consider approving of the business plan and business strategy

- Consider and approve the annual budget
- Consider and approve vision and mission
- Consider approving various matters in the management of decision making
- Consider operational tasks
- Consider and approve various policies
- Consider and approve the application for permission from the government agency
- Consider and approve various matters as specified by the Public Limited Companies Act.

#### Role of the Chairman

Role of the Chairman covers the duties mentioned above and other mentioned below:

- Acting as Chairman of the Board of Directors Meeting
- Casting vote in the event that the Board of Directors' meeting has 2 equal votes
- Calling the Board of Directors meeting
- Acting as the chairman of the shareholders' meeting

#### Statistics of the Board of Directors' meeting in 2018

No.	Name	Attendance/Meeting
1	Mr. Sanit Vorapunya	6/6
2	Mr. Sutham Malila <sup>1</sup>	1/1
3	Ms. Nongram Laohaareedilok <sup>1</sup>	1/1
4	Mr. Pongcha Amatanon	5/6
5	Mrs. Rangsee Lerttripinyo	6/6
6	Mr. Kaelic Amatanon	6/6
7	Mrs. Matinee Wandeepirom	5/6
8	Mr. Boonya Tuntipanichapun	5/6
9	Ms. Chonticha Siripongpreeda <sup>3</sup>	3/3
10	Mrs. Vilasinee Puddhikarant <sup>2</sup>	4/5
11	Mr. Somboon Muangklam <sup>2</sup>	5/5
12	Ms. Pornthip Lerttanongsak <sup>2</sup>	5/5
13	Ms. Nopparat Siripongpreeda <sup>4</sup>	3/3

**Note:** <sup>1</sup> Mr. Sutham Malila and Ms. Nongram Laohaareedilok resigned from the position of director which were effective since April 23, 2018.

<sup>2</sup> The 2018 Annual General Meeting on April 23, 2018 resolved to appoint Mr. Somboon Muangklam, Mrs. Vilasinee Puddhikarant and Mrs. Pornthip Lerttanongsak to be directors.

<sup>3</sup> Ms. Chonticha Siripongpreeda resigned from the position of director which was effective on May 11, 2018.

<sup>4</sup> The Board of Directors Meeting No. 3/2018 on May 11, 2018 resolved to appoint Miss Nopparat Siripongpreeda to be a director.

## Executive Committee

As at 31 December 2018, the company has 3 members of the Executive Committee which are as follows:

No.	Name	Position
1	Mr. Pongchai Amatanon	Chairman of Executive Committee
2	Mrs. Rangsee Lertripinyo	Executive Committee
3	Mr. Boonya Tuntipanichapun	Executive Committee

## Scope of duties and responsibilities of Executive Committee

1. To operate and manage the business of the company in accordance with the objectives, regulations, policies, rules, requirements, orders and resolutions of the board of directors and / or the shareholders' meeting resolution in all respects.

2. To determine policies, business plans, directions, strategies, budgets and the main management structure and various administrative powers of the company in business operations including monitoring and following up the company's performance to achieve the goal.

3. Consider the annual budget allocation as proposed by the management before proposing to the Board of Directors for approval including considering and approving changes to the annual budget. If there is no Board of Directors meeting, it has to be presented to the Board of Directors for acknowledgment at the next meeting.

4. Consider and approve the withdrawal of money to conduct business as usual including approving important investment expenditures as specified in the annual budget as assigned by the Board of Directors or as the Board of Directors had previously approved in principle.

5. To be a management advisor on matters relating to financial policy, marketing, personnel management and other operations.

6. Define organizational structure, organizational management power including the appointment, hiring, transfer, determination of wages, compensation, bonus, executive level employees and termination of employing.

7. To be able to authorize one or more directors or any other person to perform any act which is under the control of the Executive Committee or may authorize such person with power as the Executive Committee deems appropriate and within the time that the Executive Committee deems appropriate which the Board of Directors may cancel, withdraw, change or amend the authorized person or that power as appropriate.

8. Take other actions as assigned by the Board of Directors from time to time.

However, the authority of the Executive Committee does not include approval of any items that may have conflicts or any items that the Executive Committee or a connected person to the Executive Committee

have an interest or benefits or any other manner that has a conflict with the company or subsidiary according to the rules of the Stock Exchange of Thailand. The approval of such transactions must be submitted to the Board of Directors and / or the shareholders' meeting for consideration and approval as specified by the Company's regulations or related laws.

### **Definition of Independent Directors**

Independent directors are directors who are independent from major shareholders or a group of major holders and have the following qualifications:

1. Holding shares not more than 1% of the total number of shares entitled for voting of the company, parent company, subsidiary company, associated company or juristic person that may have conflict, including shares held by related parties.

2. Not being a director assigned to be responsible for business administration in the normal course of business and authorized directors signing for the company, staffs, employees, advisors who receive regular salary or the person with current control power of the company, parent company, subsidiary company, associated company or juristic person that may have conflict unless such status has been terminated for not less than 2 years

3. Not being an independent director of the company in the group, i.e. parent company, subsidiary company, and company in which the parent company / subsidiary holds more than 50% of shares of a listed company.

4. Not having a relationship by blood or by being registered as a father, mother, spouse, sibling and child including spouses of children with executives, major shareholder, controlling person or a person who will be nominated as an executive or a person with control of the company or subsidiary.

5. There is no business relationship with the company, parent company, subsidiary company, associated company or person who may have conflict in a manner that may hinder independent judgment or the executive of a person who has a business relationship with the company, the parent company, a subsidiary, an associate company or a juristic person that may have conflict unless such status has been terminated for not less than 2 years

6. There are no other characteristics that make it impossible to give independent opinions about the operations of the company.

The qualifications of the above independent directors are equal to the rules relating to the independent committee of the SEC Office, except Article 3, which is higher than the criteria regarding the qualifications of the independent committee of the SEC.

As of December 31, 2018, the Company has 4 independent directors from 10 directors of the Company, representing 40% of the Board of Directors and in accordance with the good corporate governance principles of the Stock Exchange of Thailand. The names of the independent directors are listed below:

No.	Name	Position
1	Mr. Sanit Vorapunya	Independent Director
2	Mr. Somboon Muangklam <sup>1</sup>	Independent Director
3	Mrs. Vilasinee Puddhikarant <sup>1</sup>	Independent Director
4	Ms. Pornthip Lerttanongsak <sup>1</sup>	Independent Director

Note: <sup>1</sup> The 2018 Annual General Meeting on April 23, 2018 resolved to appoint Mr. Somboon Muangklam, Mrs. Vilasinee Puddhikarant and Mrs. Pornthip Lerttanongsak as Independent Directors.

### Audit Committee

An office term of Audit Committee is same as the Board of Directors. The Company has determined the qualifications of the Audit Committee as follows:

1. Being an independent director.
2. Not being a director assigned by the Board of Directors to make decisions on the operation of the company, the parent company, subsidiary company, associated company, same-level subsidiary or juristic person that may have conflict of interest.
3. Not being a director of the parent company, subsidiary company and subsidiary in the same order.
4. There are at least 1 member of the Audit Committee with sufficient knowledge and experience to review the reliability of financial statements.

The Audit Committee has provided or called the meeting as it deems appropriate at least 1 time per quarter (4 times per year) with clear agenda for the meeting in advance and submit meeting documents to the Audit Committee and attendees in advance in order for the Audit Committee to have time to consider various matters or requesting additional information for consideration. The meeting agenda will cover various matters as required by law and / or regulatory agencies, announcements and as assigned by the Board of Directors.

As at 31 December 2018, the Audit Committee consists of 3 members as follows:

No.	Name	Position
1	Mr. Somboon Muangklam <sup>1</sup>	Chairman of the Audit Committee
2	Mrs. Vilasinee Puddhikarant <sup>1</sup>	Audit Committee
3	Ms. Pornthip Lerttanongsak <sup>1</sup>	Audit Committee

Note: <sup>1</sup> The Board of Directors Meeting No. 2/2018 on April 23, 2018 resolved to appoint Mr. Somboon Muangklam, Mrs. Vilasinee Puddhikarant and Mrs. Pornthip Lerttanongsak to be the Audit Committee.

The third number of Audit Committee is knowledgeable and experienced enough to be able to review the reliability of financial statements.

### Scope of duties and responsibilities of Audit Committee

1. Review to ensure that the company has accurate and adequate financial reports.
2. Review the internal control system and internal audit system that are appropriate and effective and consider the independence of the internal audit unit as well as approve the appointment, transfer, terminate the employment of the head of the internal audit department or any other agency responsible for internal audit.
3. Review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and laws related to the business of the company.
4. Consider, select, propose to appoint and terminate employment of the person who is independent to act as the auditor of the company including offering compensation for such persons to the Board of Directors in order to provide an opinion to the shareholders' meeting. However, there shall be meetings held with the auditor without the management attending the meeting at least 1 time per year.
5. Consider connected transactions or transactions that may have conflicts of interest to be in accordance with the laws and regulations of the Stock Exchange of Thailand and the Office of the SEC in order to ensure that such transactions are reasonable and highly beneficial to the Company.
6. Prepare the report of the Audit Committee to be disclosed in the Company's annual report which must be signed by the Chairman of the Audit Committee and contain at least the following information:
  - (1) Opinions on the accuracy, completeness and reliability of the Company's financial report,
  - (2) Opinions on the adequacy of the Company's internal control system,
  - (3) Opinions on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (4) Opinions on the appropriateness of an auditor,
  - (5) Opinions 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) Opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter,
  - (8) Other transactions which, according to the audit committee's opinion, should be known by the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. Perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee.
8. In performing the duties of the Audit Committee, if there are any doubts found or suspected of having the following transactions or actions which may have a significant impact on the financial position and operating results of the company, the Audit Committee shall report to the Board of Directors of the Company for rectification within the time that the Audit Committee deems appropriate.
  - (1) Transaction that may cause conflicts of interest
  - (2) Corruption or irregularities or significant defects in the internal control system



(3) Violation of the law on securities and exchange, regulations of the Stock Exchange of Thailand or laws related to the business of the company

**Statistics of the Audit Committee meeting in 2018**

No.	Name	Attendance/Meeting
1	Mr. Sanit Vorapunya <sup>1</sup>	1/1
2	Mr. Sutham Malila <sup>1</sup>	1/1
3	Ms. Nongram Laohaareedilok <sup>1</sup>	1/1
4	Mr. Somboon Muangklam <sup>2</sup>	3/3
5	Mrs. Vilasinee Puddhikarant <sup>2</sup>	2/3
6	Ms. Pornthip Lerttanongsak <sup>2</sup>	3/3

Note: <sup>1</sup> Mr. Sanit Vorapanya, Mr. Sutham Malila and Miss Nongram Laohaareedilok resigned from the Audit Committee which were effective on April 23, 2018.

<sup>2</sup> The Board of Directors Meeting No. 2/2018 on April 23, 2018 resolved to appoint Mr. Somboon Muangklam, Mrs. Vilasinee Puddhikarant and Mrs. Pornthip Lerttanongsak to be the Audit Committee.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has a term of 3 years. The Company has determined the qualifications of the Nomination and Remuneration Committee as follows:

1. Being the executive director of the company and / or experts and was appointed by the Board of Directors.
2. The Committee must consist of at least 3 directors, with independent directors not less than half of the whole committee.
3. The Chairman of the Nomination and Remuneration Committee should be an independent director to be able to perform duties and express opinions independently.

The Nomination and Remuneration Committee shall provide or call the meeting as it deems appropriate at least 2 time a year and has power to call for additional meetings as necessary as well as perform duties as assigned by the Board of Directors.

As at 31 December 2018, the Nomination and Remuneration Committee has 4 members, consisting of:

No	Name	Position
1	Mr. Somboon Muangklam <sup>1</sup>	Chairman of the Nomination and Remuneration Committee
2	Mrs. Vilasinee Puddhikarant <sup>1</sup>	Nomination and Remuneration Committee
3	Mrs. Rangsee Lertripinyo	Nomination and Remuneration Committee
4	Mrs. Matinee Wandeepirom	Nomination and Remuneration Committee

Note: <sup>1</sup> Mr. Sutham Maliladilok and Miss Nongram Laohaareedilok resigned from the Nomination and Remuneration Committee which were effective on April 23, 2018.

<sup>2</sup> The Board of Directors Meeting No. 2/2018 on April 23, 2018 resolved to appoint Mr. Somboon Muangklam, and Mrs. Vilasinee Puddhikarant to be the Nomination and Remuneration Committee.

## Scope of duties and responsibilities of the Nomination and Remuneration Committee

### Nominating

1. Determine criteria and policies for recruiting company directors and sub-committees by considering the appropriateness of the number, structure and composition of the board, determine the qualifications of directors to propose to the Board of Directors and / or propose to the shareholders' meeting, as the case may be.

2. Recruit, select and propose persons to be directors of the company, Sub-committee, top management and company secretary present to the Board of Directors meeting and / or shareholders to consider and approve in case of vacancy due to completion of the term and in other cases.

3. Perform any other actions related to recruitment as assigned by the Board of Directors

### Remuneration

1. Propose a remuneration policy, guidelines for payment remuneration and other benefits for directors in the Board of Directors, Sub-committee and senior management to be appropriate with the responsibilities in accordance with the company's performance and market conditions are always.

2. Determine the necessary and appropriate remuneration, both monetary and non-monetary of the Board of Directors on an individually each year by considering the appropriateness of obligations, responsibility, performance and comparison with companies in similar businesses and benefits expected from the directors to propose to the Board of Directors for approval and present to the shareholders' meeting for approval.

3. Report on policies, principles / reasons for determining remuneration for directors and executives according to the regulations of the Stock Exchange of Thailand by disclosing in the annual information disclosure form (56-1) and the annual report.

4. Perform any other duties related to the determination of remuneration as assigned by the Board of Directors.

### Statistics of the meeting of the Nomination and Remuneration Committee in 2018

No.	Name	Attendance/Meeting
1	Mr. Sutham Malila <sup>1</sup>	1/1
2	Ms. Nongram Laohaareedilok <sup>1</sup>	1/1
3	Mr. Somboon Muangklam <sup>2</sup>	1/1
4	Mrs. Vilasinee Puddhikarant <sup>2</sup>	1/1
5	Mrs. Rangsee Lerttripinyo	2/2
6	Mrs. Matinee Wandeepirom	2/2

Note: <sup>1</sup> Mr. Sutham Malila and Miss Nongram Laohaareedilok resigned from the Nomination and Remuneration Committee which were effective on April 23, 2018.

<sup>2</sup> The Board of Directors Meeting No. 2/2018 on April 23, 2018 resolved to appoint Mr. Somboon Muangklam, and Mrs. Vilasinee Puddhikarant to be the Nomination and Remuneration Committee.

### Risk Management Committee

The Risk Management Committee has a term of 3 years. The Company has determined the qualifications of the Risk Management Committee as follows:

1. Being the executive director of the company and / or experts and was appointed by the Board of Directors
2. The committee consists of at least 3 directors with at least 1 independent director.

The Risk Management Committee shall call the meeting when seen as appropriate (at least 1 times a year) and has power to call for an additional meeting as necessary.

As at 31 December 2018, there are 5 members of the Risk Management Committee as follows:

No	Name	Position
1	Mrs. Pornthip Lerttanongsak <sup>1</sup>	Chairman of the Risk Management Committee
2	Mr. Pongchai Amatanon	Risk Management Committee
3	Mrs. Rangsee Lerttripinyo	Risk Management Committee
4	Mr. Boonya Tuntipanichapun	Risk Management Committee
5	Mr. Chatchavin Pipatchotitham	Risk Management Committee

Note: <sup>1</sup> The Board of Directors Meeting No. 2/2018 on April 23, 2018 resolved to appoint Mrs. Pornthip Lerttanongsak to be the Risk Management Committee.

### Scope duties and responsibilities of the Risk Management Committee

1. Define the risk management policy and set the overall risk management framework of the company which covers various types of risks especially the strategic risk, operational risk, financial and accounting risk, compliance risk and information system risk, etc.
2. Lay down such strategies in line with the risk management policies by assessing, monitoring and controlling the Company's overall risks to stay at an acceptable level.
3. Support and encourage cooperation in the Company's overall risk management; and review the sufficiency of the risk management policy and system, as well as the effectiveness of the system and compliance with the policy.
4. Provide an assessment and analysis of damage that may occur systematically and continuously in both normal and crisis situations to ensure that risk surveys cover all processes of business operations.
5. Support and develop risk management continuously throughout the organization and comply with international standards.
6. Regularly report to the Board of Directors on what needs to be improved to comply with the policies and strategies.
7. The Risk Management Committee can hire external consultants to seek advice at the company's expense which must be approved by the Board of Directors.
8. Perform other duties as assigned by the Board of Directors.

**Statistics of the meeting of the Risk Management Committee in 2018**

No.	Name	Attendance/Meeting
1	Mrs. Porntip Lerttanongsak <sup>1</sup>	1/1
2	Mr. Pongchai Amatanon	1/1
3	Mrs. Rangsee Lertripinyo	1/1
4	Mr. Boonya Tuntipanichapun	1/1
5	Mr. Chatchavin Pipatchotitham	1/1

Note: <sup>1</sup> The Board of Directors Meeting No. 2/2018 on April 23, 2018 resolved to appoint Mrs. Porntip Lerttanongsak to be the Risk Management Committee.

**Management Team**

The management of the Company as at 31 December 2018 consisted of:

No.	Name	Position
1	Mr. Pongchai Amatanon	Chief Executive Officer/Director of Sales and After Sales Service
2	Mrs. Rangsee Lertripinyo	Executive Vice President
3	Mr. Chatchavin Pipatchotitham	Assistant Chief Executive Officer
4	Mr. Pramote Pantina	Production Director
5	Mr. Arin Jamnaree	Finance and Accounting Director
6	Ms. Nitiya Songrapai	Director of Central Administration Office
7	Mr. Katanyoo Wilaikaew	Director of Research and Development

**Nomination of the Board of Directors and the Executives**

The Board of Directors assign the Nomination and Remuneration Committee to determine the criteria and policies for the nomination of the Company's directors and sub-committee by considering the appropriateness of the factors, qualifications, abilities and various experiences of directors including considering recruiting, selecting and nominating the right person to hold the position of director of the company whose term has expired and / or in case of vacant positions and / or additional appointing which takes into account the necessary skills that are still lacking in the board according to the policy and criteria for nomination of directors as determined by the company in order to propose the appointment from the Board of Directors and / or propose for approval from the shareholders' meeting, as the case may be. However, the nominating must provide sufficient details for the Board and shareholders' meeting to make decision.

The election of directors at the shareholders' meeting will use the voting method, whereby one shareholder has one vote per share which can be used to vote for the nominees individually or in multiple persons at the same time as the shareholders' meeting deems appropriate. Such shareholders will not be able to divide their votes to any person more or less. The persons receiving the highest votes in descending order will be elected as directors equal to the number of directors that should be. If there are equal votes, let the person who is the chairman of the meeting casts an additional vote.

In the event that the position of the director is vacant due to other reasons other than the expiration of the term of the director, the Nomination and Remuneration Committee will consider nominating persons who are qualified and have no prohibited characteristics according to the law and propose to the Board of Directors to consider appointing to be directors in the next Board of Directors meeting unless the term of the director vacating office is less than 2 months, the person replacing the director will be in the position of the director for only the remaining term of the director whom he replaces and the appointment must receive votes of not less than three-fourths of the remaining directors.

In the recruitment of the Chief Executive Officer, the Nomination and Remuneration Committee will preliminary consider in screening for the qualified persons with knowledgeable skills and experiences that are beneficial to the operations of the company, who understand the business of the company as well and are able to manage the work to achieve the objectives, targets set by the Board of Directors and propose to the Board of Directors for further approval.

### **Scope of roles and responsibilities of Chief Executive Officer**

1. Supervise the operation and / or daily management of the company to be in accordance with policies, plans and budgets approved by the board of directors and / or the Executive Board of the company.

2. Manage the business of the company in accordance with the objectives, regulations, rules, requirements, orders, and resolutions of the shareholders' meeting and / or resolutions of the board of directors and / or the executive Committee of the company.

3. Have the authority to delegate authority and / or assign other persons to perform specific tasks for by delegating power and / or such assignments under the jurisdiction of the power of attorney and / or according to the regulations, requirements or orders that the Board of Directors of the Company and / or the company has specified.

4. Follow up and evaluate the implementation of policies and guidelines for the company's management to be effective in order to prevent business risks.

5. Consider the business contracting of the company and other contracts which are beneficial to the company including determining procedures and methods for preparing such contracts to present to the Executive Committee and / or the Board of Directors.

6. Consider hiring employees and appointing as well as transferring, transferring or retiring from being an employee including determine the wage rate or consider the allocation of wages, compensation, bonuses, rewards and welfare approved by the Board of Directors to employees or employees of the company or any person acting for the company.

7. Have the authority to issue orders, regulations, and announcements notes to ensure that the operations are in accordance with the policies and benefits of the company and to maintain work discipline within the organization.

8. Perform other duties as assigned by the Board of Directors from time to time.

However, the authority and the power of attorney will not include the authority and / or delegation of authority to approve any transactions that he or a person may have conflicts, a conflict of interest or other

benefits in conflict with the company or its subsidiaries in accordance with the regulations of the Stock Exchange of Thailand Unless approved by the Board of Directors and / or the shareholders' meeting.

### **Corporate Secretary**

The Board of Directors appointed Mr. Arin Jamnaree to be the Corporate Secretary.

### **Scope of duties and responsibilities of the Corporate Secretary**

1. Provide basic advice to directors regarding the requirements, laws, rules and regulations involved including reporting changes and ensuring compliance and consistency.

2. Organize meetings as required by laws and regulations, prepare and maintain the minutes including coordinating for effective compliance with the resolutions of the Board of Directors or shareholders.

3. Supervise the disclosure of information and provide reports to regulatory agencies.

4. Encourage the orientation of new directors and arrange training on various courses for directors and executives.

5. Store and maintain important documents such as director registration, Board meeting invitation letter, Board meeting minutes, Annual reports, Notice of shareholders' meeting, Minutes of the shareholders' meeting and reports on the interests of directors or executives.

6. Perform other activities as specified by 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 Executives**

The Company has clearly and transparently determined the policy for remuneration for directors. Consideration of remuneration for directors and high-level executives is based on duties and responsibilities performance of each director or executive including the operating results of the company in accordance with the compensation rate in the market or industry. The Company has determined the remuneration for directors as meeting allowances and annual gratuities.

Directors' remuneration which was approved by the Annual General Meeting of Shareholders for the year 2018 on 23 April 2018 is as follows:

<b>Meeting Allowance</b>	<b>Per each meeting attendance/ Baht</b>
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
Chairman of Risk Management Committee	15,000
Member of the Risk Management Committee	10,000
Chairman of Nomination and Remuneration	15,000
Member of the Nomination and Remuneration	10,000

**Annual gratuity**

The amount of gratuity is not more than Baht 1.5 million and shall be allocated to only the non-executive directors and/or independent directors.

Monetary remuneration

Unit: Baht

Name	Board of Directors		Audit Committee		Nomination and Remuneration Committee		Risk Management Committee	
	2018	2017	2018	2017	2018	2017	2018	2017
Mr. Sanit Vorapunya	198,000	165,000	421,200	484,000	-	-	-	-
Mr. Sutham Malila <sup>1</sup>	22,000	110,000	49,500	498,000	15,000	15,000	-	-
Ms. Nongram Laohaareedilok <sup>2</sup>	22,000	110,000	46,200	484,000	10,000	10,000	-	15,000
Mr. Pongchai Amatanon	110,000	110,000	-	-	-	-	-	-
Mrs. Rangsee Lertripinyo	132,000	110,000	-	-	20,000	10,000	-	10,000
Mr. Boonya Tuntipanichapun	110,000	66,000	-	-	-	-	-	10,000
Mrs. Matinee Wandeepirom	110,000	110,000	-	-	20,000	10,000	-	-
Mr. Kaelic Amatanon	132,000	110,000	-	-	-	-	-	-
Ms. Chonthicha Siripongpreeda <sup>3</sup>	66,000	88,000	-	-	-	-	-	-
Mr. Chatchavin Pipatchotitham	-	-	-	-	-	-	-	10,000
Ms. Nopharat Siripongpreeda <sup>4</sup>	66,000	-	-	-	-	-	-	-
Mr. Somboon Muangklam <sup>5</sup>	110,000	-	523,500	-	15,000	-	-	-
Mrs. Vilasinee Phuddikarant <sup>6</sup>	88,000	-	467,400	-	10,000	-	-	-
Mrs. Pornthip Lerttanongsak <sup>7</sup>	110,000	-	513,600	-	-	-	-	-
<b>Total</b>	<b>1,276,000</b>	<b>979,000</b>	<b>2,021,400</b>	<b>1,466,000</b>	<b>90,000</b>	<b>45,000</b>	<b>-</b>	<b>45,000</b>

- Remark: <sup>1</sup> Mr. Sutham Malila resigned from the Board of Directors which was effective from 23 April 2018.  
<sup>2</sup> Ms. Nongram Laohaareedilok resigned from the Board of Directors which was effective from 23 April 2018.  
<sup>3</sup> Ms. Chonthicha Siripongpreeda resigned from the Board of Directors which was effective from 11 May, 2018.  
<sup>4</sup> Ms. Nopharat Siripongpreeda was appointed to be the Board of Directors which was effective from 11 May, 2018.  
<sup>5</sup> Mr. Somboon Muangklam was appointed to be the Board of Directors which was effective from 23 April, 2018.  
<sup>6</sup> Mr. Vilasinee Phuddikarant was appointed to be the Board of Directors which was effective from 23 April, 2018.  
<sup>7</sup> Mrs. Pornthip Lerttanongsak was appointed to be the Board of Directors which was effective from 23 April, 2018.

Executive Remuneration	2018	2017	2016
Executive Remuneration (Million Baht)	67.48	71.24	61.27
Number of Executive Director (Persons)	16	16	16
Fringe Benefit	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance
Other welfares	Executive transportation and mobile phone	Executive transportation and mobile phone	Executive transportation and mobile phone



**Other remuneration**

-None-

**Human resource**

The Company is confident that the growth of the company depends on the cooperation and quality of the employees. Therefore, every employee is a center for sustainable development of the company.

**The number of employees and remunerations**

Number of employees of the company and subsidiaries (excluding directors and executives) can be summarized as follows:

Item no.	Workplace	2018		2017		2016	
		Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)
1.	Forth Corporation Plc.	1,439	312.02	1,492	337.67	1,020	302.13
2.	Electronics Source Co., Ltd.	204	94.33	198	100.76	190	91.60
3.	Genius Traffic System Co.,	306	101.73	406	93.44	363	79.10
4.	JV Genius	2	0.35	25	6.03	26	8.59
5.	Forth Smart Service Plc.	334	96.63	331	93.75	270	76.09
6.	Forth Consulting Co., Ltd.	-	-	1	0.76	1	1.55
7.	Forth Lighting Co., Ltd.	12	4.41	21	7.47	16	7.94
8.	Forth Meter Co., Ltd.	13	0.81	13	3.94	15	3.99
9.	Forth Vending Co., Ltd.	45	9.53	26	7.46	17	4.14
10.	Forth Smart Trading Co., Ltd.	-	-	-	-	-	-
11.	Forth Smart Digital Co., Ltd.	14	5.63	30	2.60	-	-
12.	JV Forth Genius	-	-	-	-	-	-
13.	Mindmap Commtech Inc.	-	-	49	5.42	-	-
	<b>Total</b>	<b>2,369</b>	<b>626.78</b>	<b>2,592</b>	<b>659.30</b>	<b>1,918</b>	<b>575.13</b>

During the past 3 years, the Company did not have any significant labor dispute that would cause negative impact to the Company.

**Rewards for motivation in other work**

The Company and subsidiaries as well as the employees of the Company and its subsidiaries jointly set up a provident fund in accordance with the Provident Fund Act BE 2530, the Company and its subsidiaries and employees pay monthly contributions to the fund at the rate of 3 percent of salary.

### **Auditor's Remuneration**

1) Audit Fees

The Company and its subsidiaries paid audit fees for 2018 to EY Office Limited amounting to Baht 5,565,500.

2) Non-audit fee

The Company and its subsidiaries paid compensation for other services to EY Office Limited in 2018, including service fees for observing the destruction of inventories of the Company in the amount of baht 20,000.

## Security and shareholder information

### Registered and paid-up capital

As at 31 December 2018, 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 10 shareholders of the Company as at 18 March 2019 were as follows:

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
1	Amatanon family		522,630,900	54.44
	Mr. Pongchai Amatanon	366,744,400		
	Mrs. Rangsee Lertripinyo	59,465,500		
	Mr. Kaelic Amatanon	57,924,000		
	Mrs. Wantana Amatanon	34,089,600		
	Mr. Chawin Lertripinyo	2,150,000		
	Ms. Rasinee Lertripinyo	1,494,400		
	Mr. Pattanun Amatanon	300,000		
	Mr. Autsila Amatanon	223,100		
	Ms. Nisa Amatanon	191,300		
	Mr. Sitthichok Amatanon	28,600		
	Ms. Laksika Amatanon	20,000		
2	Thongtang family		61,238,100	6.38
	Ms. Vi-orn Thongtang	17,350,850		
	Mr. Attikhun Thongtang	17,350,850		
	Mr. Att Thongtang	13,945,450		
	Mr. Itti Thongtang	12,590,950		
3	Ninnoennon family		43,350,100	4.51
	Mr. Boonyong Ninnoennon	36,909,800		
	Ms. Boonyanit Ninnoennon	6,440,300		
4	Siripongpreeda family		34,831,900	3.63
	Mr. Poonsak Siripongpreeda	32,431,900		
	Mr. Somruek Siripongpreeda	2,400,000		
5	Mrs. Matinee Wandeepirom	24,750,400	24,750,400	2.58
6	Tantipanichapun family		24,711,400	2.57
	Mrs. Vipawan Tantipanichpun	13,350,000		
	Mr. Boonya Tantipanichapun	11,361,400		
7	Thai NVDR Company Limited	24,077,900	24,077,900	2.51

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
8	Pongrattanakul family		19,138,200	1.99
	Mr. Supat Pongrattanakul	19,135,900		
	Mr. Somchai Pongrattanakul	2,300		
9	Leelatheerakul family		15,442,600	1.61
	Mr. Kumthorn Leelatheerakul	15,407,600		
	Mrs. Duangporn Leelatheerakul	25,000		
	Ms.Chittima Leelatheerakul	10,000		
10	Sujjaboriboon family		12,740,200	1.33
	Mrs.Chuleeporn Sujjaboriboon	4,345,900		
	Mr.Vorakoon Sujjaboriboon	3,029,300		
	Mr.Thanin Sujjaboriboon	2,095,000		
	Mr.Kornsarn Sujjaboriboon	1,930,000		
	Mr.Suwakij Sujjaboriboon	1,340,000		
	Others		177,088,300	18.45
	<b>Total</b>		<b>960,000,000</b>	<b>100.00</b>

### Dividend payment policy

The Company has a policy to pay dividends of not less than 40 percent of net profit after corporate income tax and accumulated losses (if any) in the separate financial statements. However, the Board of Directors may require that the dividend payment be less than the rate specified above depending on the operating results, financial position, liquidity and the need to expand the operation as well as use as working capital in the operating of the business.

Forth Smart Service Public Company Limited ("FSMART") has a policy to pay dividends of not less than 40 percent of net profit after deduction of income tax and other reserves of all types as specified in the company's regulations and as required by law if there is no other necessity and the payment of the dividend does not affect the normal operation of the subsidiary significantly.

Other subsidiaries have a policy to pay dividends at a rate of not less than 20% of net profit after corporate income tax according to the financial statements of the subsidiaries depending on the investment plan, other needs and appropriateness in the future.

Dividen payment	Year		
	2561	2560	2559
Net profit per share (Baht / share)	0.31	0.41	0.48
Dividend rate per share (Baht / share)	0.55	0.42	0.34
Dividend payout ratio per net profit (%)	177	102	71

# 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 had defined 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 has reviewed the good corporate governance policy in accordance with the principles of good corporate governance for listed companies 2017 (CG Code) to ensure that the policies can be deployed according to the business context of the company and the Board of Directors, executives as well as employees have accepted and applied strictly.

## Compliance with the Principles of Good Corporate Governance

In 2018, the Company complied with the principles of good corporate governance in various matters as follows:

### Section 1

#### Rights of Shareholders

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

#### Organizing the Shareholders' meeting

The Company held the Annual General Meeting of Shareholders for the year 2018 in accordance with the regulations of the Stock Exchange of Thailand, guidelines for organizing the shareholders' meeting of the Securities and Exchange Commission (SEC) as well as using the Annual General Meeting Checklist, which is a project for assessing the quality of ordinary shareholders' meetings of listed companies. In the 2018 Annual General Meeting of Shareholders, the Thai Investors Association evaluated the general meeting of shareholders of the company, which received 94 points from the full score of 100 points, higher than the average score of 91.97 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. In 2018 the Company had held the Annual General Meeting of Shareholders on 23 April 2018 at 02.00 p.m., on the 7<sup>th</sup> floor at Forth Smart Service Office Building, 256 Phaholyothin Road, Samsennai, Phayathai, Bangkok.

## Before the meeting date

To allow shareholders to have sufficient time to study the information, The Company had assigned the Thailand Securities Depository Co., Ltd. as the share registrar of the company to be the delivery of the meeting invitation including supporting documents, the meeting agenda and documents for attending the meeting at least 7 days prior to the meeting date. Such documents aim to help shareholders have sufficient information to consider and vote on each agenda item and facilitate shareholders to exercise fully their rights. The documents contained:

- Facts and reasons along, with the opinion of the Board of Directors for each agenda.
- Important information such as the history of individual directors and the definition of independent directors for consideration in the agenda regarding the election of directors to replace those retiring by rotation and details of remuneration for directors and sub-committees for proposing to consider and approve the directors' remuneration.
- Details of the meeting procedure and proxy of the shareholders, which shareholders can appoint independent directors to be proxy and shareholders can specify their opinion on voting in the proxy form.
- The company gives importance to respecting the rights of shareholders. In the 2018 Annual General Meeting of Shareholders, the Company did not add any agenda or change important information at the meeting all of a sudden.
- The company has published the invitation letter and documents for the shareholders' meeting on the company's website. ([www.forth.co.th](http://www.forth.co.th)) before the meeting and notifying such announcement to the Stock Exchange of Thailand to allow shareholders to have sufficient time to study the information in advance before receiving the information in the form of printed documents.

## Meeting date

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 directors senior manager, the auditor attended the shareholders' meeting to answer questions and acknowledge the opinions of the shareholders. In the year 2018, there were 8 directors attending the meeting from 9 persons, representing 89 percent of the total number of directors.
- Conducting the shareholders' meeting in accordance with the agenda set out in the notice of the shareholders' meeting.
- Provide equal opportunities to express opinions, asking questions to the meeting on each agenda according to the agenda. The chairman of the meeting concentrated and answered questions in every issue by recording the meeting completely
- The Chairman of the Board of Directors at the meeting had allocated sufficient time and conducted the meeting appropriately and transparently by voting and summarizing the resolution of each agenda.
- Arrange to use ballots in every agenda for transparency and verification by counting votes. The company will count 1 share to 1 vote and hold a majority vote as a resolution of the normal agenda. If the votes are equal, the chairman of the meeting will cast his vote in addition to voting as a

shareholder. The voting on special occasions would be complied with the company's regulations or laws and regulations of relevant agencies.

- 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 2018, 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**

The Company has a policy to support equitable treatment of shareholders by giving priority to the basic rights of shareholders as follows:

#### **a) Right to appoint proxies to attend and vote in the shareholders' meeting**

Shareholders unable to participate in the meeting had the right 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)).

#### **b) Rights to propose additional agenda**

The Company gives shareholders the opportunity to propose additional agenda items in addition to the annual general meeting agenda. In proposing additional agenda items, can be proposed by the processes as follows:

1. 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 to get the form.

2. The company will verify the shareholders' rights of the proposer who want to add the additional agenda of the meeting and who were registered as shareholders at the closing date of the shareholders register book. The criteria for considering the agenda proposed by the person to be added as an additional agenda is that it must relate to the business operation or may have a significant impact on the operation of the company. If the Board of Directors has approved the proposed agenda, it will be included as a meeting agenda and stated that it was the agenda proposed by the shareholders.

However, the matters that do not pass the approval of the Board of Directors, the company will inform shareholders via the company's website.

**c) 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. Having educational qualifications, working experience, or other properties as specified by the company
3. Must devote sufficient time and fully devoting their ability for the best benefit of the company which is considered a duty, and ready to regularly attend the company meeting.
4. Should not serve board positions of 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 by registered mail.

**d) Usage of inside information**

The Company has policy 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 confidential information would be used for consulting in the management level only. The Company set penalties to the related person 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 immature children within 3 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 individually for presenting to the Board of Directors in the next Board of Directors' meeting.

**e) The governance concerning securities trading of insiders**

The Company has a policy not to allow employees, executives and those who know internal performance information, financial statements or other information that affect the securities price of the Company, disclose to outsiders or those who are not involved and prohibiting trading of securities during 1 month period before financial statements or other information that affect the price of the Company's securities will be made public. The Company has penalties with related persons in case of using the internal information to create price for the company's securities.



## f) The Investor Relation

The Company has established the Investor Relations Department with the specific purpose of being responsible for investor relations with the responsibility for preparing the action plan, activities and disseminating the Company's information to shareholders, investors, securities analysts and the media in order to promote the image and reliability in the operation of the company. Related parties can contact the IR of the Company as follows:

### Investor Relation Department

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

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

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

Email : [investor@forth.co.th](mailto:investor@forth.co.th)

The Company has specified a period of non-communication with analysts and investors (quite periods) with respect to financial results, including not holding press conferences or disclosing financial information publicly by executive and/or investor relation officers, at least fourteen (14) days prior to the quarterly and yearly result release so as to avoid any unfair treatment and possibly affecting the Company's share price.

## G. Principles for the Board

In accordance with good Corporate Governance principles for the listed company in 2017 (CG Code), the Board of Directors is required to apply the guidelines for the Board of Directors to proper implementation for beneficially creating value for the company sustainably. The 8 practice guidelines for the Directors are as follows:

Code of Conduct 1 Recognize the role and responsibility of the Board as a leader that creates value for the business sustainably.

Code of Conduct 2 Define objectives and goal of the business for sustainability

Code of Conduct 3 Strengthen the Board of Directors

Code of Conduct 4 Recruit and develop senior management and personnel management

Code of Conduct 5 Promote innovation and responsible business operations

Code of Conduct 6 Ensure appropriate risk management systems and internal controls

Code of Conduct 7 Maintain financial credibility and disclosure.

Code of Conduct 8 Support participation and communication with shareholders

## Section 3

### Roles of Stakeholders

The Company has given the rights and importance to stakeholders in all groups, including shareholders, customers, employees, partners, creditors as well as environment and society by focusing on treating various groups of stakeholders as follows:

#### Shareholders

The Company takes into account the interests of shareholders at the highest level by striving to operate the business for sustainable and stable growth with increased competitiveness and risk management to add value to the company in the long term.

## Employees

The Company considers human resources as the most valuable asset who have personal rights and have the right to be protected from violating personal rights including the right to be treated and get equal opportunities. The company pays attention to the determination of compensation welfare care as well as the safety of employees according to the following details:

- Compensation of Employees

The Company determines the employee's compensation to be in accordance with the Company's operating results, both in the short and long-term period, and it also reflects the employee's knowledge and competency based on Key Performance Indicator (KPI) as a remuneration management tool. This includes other welfares and payment schedule that is appropriate and comparable to other companies in the industry, in order to maintain and motivate the employees for the Company's achievement.

- Welfare and fringe benefit of employees

1. Accident insurance
2. Life and health insurance
3. Provident Fund and Social Security 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

- Employee Development Policy

The Company has a policy to develop the organization as Learning Organization, in order to support the business growth and keep up with the economic and social changing. Therefore, the Company encourages employees to improve their knowledge and competency for the jobs by focusing on in-house knowledge transfer by skilled and knowledgeable personnel, together with external learning for developing knowledge base and best practices through continuous learning at individual, division and department levels. The learning is to be developed by practices, and the knowledge will be transferred through on-the-job teaching and teamwork, including external learning consisting of personal development training and seminars in general as well as a specific training to improve the employee's potentiality.

In 2018, the employees of the company group had an average of 24.68 training hours per each per year.

- Employee Safety Policy

The Company is committed to process of occupational health and safety management system or OHSAS 18001 (version 2007) which emphasizes on the safety and health of employees through a design of systems and tools for the maximum safety according to the API Standard. For instance, the employees in the production department are required to wear gloves, ground wires and shoes to relieve static electricity buildup. This includes installation of fire protective and extinguishing equipment such as water spray, fire alarm, smoke detector, etc. This consists of risk estimation for all operating locations and provision of fire evacuation and protection drills for the employees annually.

In 2018, there were no incidents of occupational accidents, according to the occupational accident statistic of the Group.

### 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 Forth Service Call Center 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)

### Competitors

The Company has policy on fair business operation and will not distort any fact or information, commit a swindle, or use any other improper approaches for the competition. The Company performs business under the proper rules of competition. The Company does not seek to obtain the competitors' confidential information by dishonest or inappropriate means such as bribing the competitors' employees including not competing with slandering, bullying or distorting facts of competitors.

### Business Partners

The Company respects to provide goods and services with standard, and aims to create and keep 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:

- Selection of partners based on price and quality with competition by information that is received fairly and transparently
- In business negotiations, directors, executives and employees of the company must refrain from accepting money, gifts, assets or dishonest benefits from business partners or contractors.
- Payment to partners and contractors on time according to the terms of payment agreed strictly
- Protect information and keep it confidential between the business partners and contractor
- Practice with integrity, reliability and inform partners and contractor of the relevant laws, regulations and policies.

### Lenders

The Company strictly complies with the loan agreement by repaying the loan according to the schedule and cooperated with financial institutions in disclosing financial reports and other information as required correctly and completely as well as supervising the collateral and cooperate in solving problems together if there is a case that the contract cannot be fulfilled.

### 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.

### Copyright and Intellectual Property Policy and Procedures

The Company has defined policies and guidelines on non-infringement of intellectual property and operates businesses lawfully according to any agreements about intellectual property, trade secret and respect for other persons' intellectual property. This covers requirement of authentic computer programs and strict prohibition on illegal computer software uses and installations.

### Policy and Procedures for Effective Use of Resources

The Company has policy and procedures for effective use of resources by energy saving and recycle such as controlling air-conditioner's temperature properly, turning off air-conditioner and lights during lunch break, changing the office's lights to LED, Installation of solar power generation systems, turning on lights as necessary for working, using stairs instead of elevators, using reused paper, etc.

### Social Responsibility

The Company focuses on business operations together with social responsibility. Procedures for the social responsibility are determined such as good governance, fair business operation, human rights respect, fair treatment of labor, consumer responsibilities, collaboration for community or social development, and environment protection, with details stated in the "Social Responsibility".

### Measurement for Environment care

The Company gives consideration to environment and takes special precautions to prevent any adverse effects on the environment and its surrounding communities. The Company's plant is certified by the ISO 14001 (2004) for the environmental management system by the SGS. The certification is under both UKAS and NAC for the compliance with the environmental laws, and this ensures that the Company's plant will not release any industrial waste into the environment. This is started from the plant's design by providing waste management, electronic waste sorting systems as well as Wet Scrubber system for treatment of dust and smoke caused by the production process, and purification of air before being released into the environment. This includes continuous improvement of the environmental management works.

In addition, the Company has defined policies and guidelines for environmental preservation through promotion of education and training employees in the organization to be aware of the responsibility towards the environment and the standard of safety management on duty, including campaigning to use resources in the most cost-effective and efficient manner under relevant laws and regulations.

### The mechanism of stakeholders' complaint

- 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) In the case of complaints from shareholders, they will be forwarded to the Audit Committee and / or the Board of Directors. In this case, the shareholder may contact the Chairman of the Audit Committee directly or at the company address specified.
- 2) In the case of complaints of customers, general public partners, they will be sent to the management team to find a solution and report to the Board of Directors
- 3) In the case of complaints from creditors, the complaints will be sent to the management team. or the management may consider submitting such complaints to the Board of Directors for further 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, Phayathai, Phayathai, Bangkok, 10400

Tel: 0-2265-6700

Fax: 0-2265-6799

- **Whistleblower Protection**

Whistleblower's personal information will be kept confidential. The Company will give priority to security and safety of the whistleblower. The whistleblower will disclose a source of information or related persons only as necessary. In case of any troubles suffered by the whistleblower resulting from it, the Company will determine a protection measure followed by an appropriate and fair process.

**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 provided opportunity for group or groups of individuals such as shareholders, reporters, financial institutions, customers or educational institutes to visit the factory. In addition, the Company is aware of the important of information to investors and stakeholders. The Company has a policy to disclose information in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission in the annual report and AGM invitation letter of shareholders' meeting about the roles and duties of the Board of Directors and audit committee, the number of meetings and number of directors attending the board meeting in the past year as well as comments from the duties of the Audit Committee and presented the report on the responsibility of the Board of Directors to the financial report together with the auditor's report.

## Section 5

### Responsibilities of The Board of Directors

#### The Board of Directors' structure

There are 10 members of the Board of Directors who are 4 independent directors, representing 40% of total members to counterbalance the Board. 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 defied the term of service of each director and each of them is able to hold the position in the Board of Directors not more than 5 listed companies. However, the Company has not defied the term of service of directors yet but the Company considers the knowledgeable competency of directors to retain their term of services instead.

The Company has a policy to separate the persons who hold the position of chairman and executive chairman to be different persons for clarity and transparency in administration by clearly defining the scope of authority and responsibility of the Executive chairman including disclosure of qualifications and term of office of each director in the annual registration statement (Form 56-1).

#### Sub-committees

The Company has established 4 sub-committees; the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee. The qualification and duty of these sub-committees have been described in the management structure section in this report.

#### Quorum and Meeting

The Company has policy for the minimum quorum; two-thirds of the directors are required to attend a meeting to be regarded as constituted quorum.

The Company delivers meeting invitation letter including the meeting agenda and enclosure documents to the directors at least 7 days in advance, except special sessions if necessary.

**Code of conduct**

The Board of Directors encourages the preparation of business ethics for directors, executives and employees which is considered a general burden and responsibility of all for the maximum benefit of the stakeholders of the company as well as creating credibility in the business that will make the company grow sustainably

**Policy and Business Direction**

The Board of Directors has clearly defined the vision and mission by disclosing them in the topic "Vision and Mission". The Board reviews and approves the policy and direction of business operations on a yearly basis to provide the Company with a strategic plan to achieve effectively, efficiently, and in line with its vision, mission and compliance with the annual strategic plan for the business operation.

**Conflicts of interest policy**

The Board of Directors has set policy on conflict of interest by taking into account the maximum benefit of the Company. Directors, executives and employees are prohibited from engaging in any business that competes with the Company and they have to avoid acts that create conflicts of interest. The persons who are involved or have interest in the transaction must report to the Company about their relationship or interest in the transaction and do not participate in the decision making as well as do not have authority to approve such transaction. If the company considers it to be an important transaction, the persons need to report to the Board for consideration and approval as appropriate.

**Risk management policy**

The Company determined risk management policy by risk assessment of the incident both inside and outside the Company as follows:

1. Determining the risk management plan of each unit within the company according to the company's master plan and the risks of business operations that may occur so that the risk management plan is in line with the business plan and goals.
2. Risk management according to the risk management plan mentioned above, each responsible unit will prioritize the risks from assessing opportunities and the impact that such risks will have on the organization. Then determine the measures to manage risks as appropriate with an internal audit unit to coordinate and participate in reviewing risks according to such risk reduction measures.
3. The above risk management measures will be monitored and reviewed by the Risk Management Committee which consists of management from all relevant departments. The meeting will be held every quarter to monitor and review the results of such risk management. The internal audit unit will monitor and review the risk management of each company or unit in order to achieve the objectives set by the company.

**Guide for remuneration of the directors and top executives**

Remuneration for directors is determined by duties and responsibilities of directors including the performance of the directors as well as the operating results of the company in accordance with the compensation rate in the market or industry. Directors' remuneration is approved by the Nomination and

Remuneration Committee and presented to the Board of Directors to consider before presenting to the shareholders' meeting for approval.

Remuneration of the top executives shall be in accordance with principles and policies specified by the Nomination and Remuneration Committee. Such remuneration is in the appropriated level and can be comparable with the rate of the same industry by taking into consideration duties, responsibilities and performance of the Company as well as performance of each top management. In addition, it must be able to motivate and retain the qualified and capable personnel. Annual remuneration and bonus of the top executives shall have the fixed consideration criteria by based on performance of the Company, overall economic conditions and individual performance.

#### **Term of service**

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 next Annual General Meeting of Shareholders.

#### **Self-Assessment of the Board of Directors**

The Company has evaluated the performance of directors at least once a year on an annual basis to help the Board of Directors review the results, issues and obstacles during the past year.

In the evaluation of the Board, group assessments will be conducted. The Corporate Secretary will submit the evaluation form to all committee members. After that the evaluation form will be returned to the Corporate Secretary to summarize the results of the evaluation and summarize the performance of the Board of Directors for the year and report to the Board of Directors for further consideration.

Criteria for evaluating the performance of the Board by group are as follows:

- 1) Structure and qualifications of the Board of Directors
- 2) Roles, duties and responsibilities of the Board of Directors
- 3) The Board of Directors' meetings
- 4) Performance of the directors
- 5) Relationship with the management
- 6) Self-development of the directors and development of the management team

#### **Development of directors and managers**

The Board of Directors requires the orientation of new directors in order for that they have knowledge and understanding of the business of the company and related regulation 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**

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

#### **The Meeting of Non-Executive Directors**

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

#### **The policy of internal information usage**

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

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

#### **Corporate management and the management of subsidiaries and associates**

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

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

and the acquisition and disposals of assets, preparing correct and reliable financial information and financial statements, and maintaining sufficient and adequate internal control systems.

In terms of good corporate governance in compliance with the principles of good corporate governance for listed companies 2017 (CG Code) that the company has not yet implemented, the Company will use it as a guideline for appropriate deployment including below:

Item of no compliance	Reasons
The Company should provide training to employees to educate them about the anti-corruption policies and practices of the Company.	The Company is in the process of considering the training of its employees. However, the Company has set up a policy against corruption to prevent any involvement in corruption by defying duties and responsibilities, guidelines and appropriate operating procedures for clarity and understanding. It also communicates on the standards of practice to all directors, executives, staffs and employees of the Company as well as its subsidiaries.
The Board of Directors should provide and disclose business ethics and / or code of ethics for directors, executives and employees of the Company. The ethics and / or ethical guidelines should also be defined and disclosed including the follow up on such practices.	The Company has been operating and conducting its ethics and business ethics. However, the official code of conduct has not been formally printed.
The Board of Directors should clearly state the term of the independent director in the corporate governance policy for no more than 9 years without exception.	A Board of Directors, namely, Mr. Sanit Vorapanya, is an independent director for a period of more than 9 years. Office of the SEC. However, the Board of Directors has considered that Mr. Sanit Vorapanya has qualifications in accordance with the qualifications of the independent committee of the SEC.
The Board of Directors should evaluate the annual performance of the CEO of the organization. The Board should disclose short-term and long-term CEO remuneration policies including the performance of the CEO.	Because the top executive (CEO) of the organization is in the board of directors and the Company arranges for an evaluation of the Board of Directors on a group basis
The Board of Director should appoint CG Committee.	The Board of Directors has not appointed CG Committee.

## Change of Shareholding of the Board of Directors and Executives

Name	Position	Number of shares (shares)		Increase (Decrease)
		As of 28 December 2017	As of 18 March 2019	
Mr. Sanit Vorapunya	Chairman of BOD Independent Director	-	-	-
Mr. Somboon Muangklam (**)	Director Independent Director Chairman of the Audit Committee Chairman of the Nomination and Remuneration Committee	-	-	-
Mrs. Vilasinee Puddhikarant (**)	Director Independent Director Audit Committee Nomination and Remuneration Committee	-	-	-
Mrs. Pornip Lerttanongsak (**)	Director Independent Director Audit Committee Chairman of the Risk Management Committee	-	-	-
Mr. Pongchai Amatanon (*)	Director Executive Committee Chief Executive Officer Risk Management Committee	400,834,000	400,834,000	-
Mrs. Rangsee Lertripinyo	Director Executive Committee Senior Executive Vice President Risk Management Committee Nomination and Remuneration Committee	59,465,500	59,465,500	-
Mr. Kaelic Amatanon	Director	57,924,000	57,924,000	-
Mrs. Matinee Wandeepirom	Director Nomination and Remuneration Committee	24,750,400	24,750,400	-
Mr. Boonya Tantipanichapun (*)	Director Executive Committee Risk Management Committee	24,711,400	24,711,400	-
Ms. Nopparat Siripongprida (**)	Director	-	-	-
Mr. Chatchavin Pipatchotitham	Executive Vice President Risk Management Committee	-	-	-
Mr. Pramote Pantina	Vice President of Production	-	-	-
Mr. Arin Jamnaree	Vice President of Accounting and Finance	-	-	-
Ms. Katanyu Wilaikaew	Vice President of Research and Development	156,000	156,000	-

Remark: (\*) Including spouse and immature children

(\*\*) the new director during the year 2018

## 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 employees

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 consumers

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 committed 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 2018

- Co-sponsored the CheunJai Vending project for the disabled by bringing in some revenue from selling products to help improve housing for the disabled in the upcountry area.
- Blood Donation to the Faculty of Medicine of Siriraj hospital

## Prevention of the involvement in corruption

### Prevention of the involvement in corruption policy

The Board of Directors recognize 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 Company's Secretary to report the results of monitoring and appropriate evaluation of the policy at least annually.

### Anti-corruption Definition

Corruption means any types of bribery; an offering, giving, promising or agreeing to give, demanding or accepting money, assets, or other inappropriate benefits from the government officers, government sectors, private sectors, or responsible person either in direct or indirect action so that such person could proceed or disregard his/her function in order to acquire, retain the business, recommend specific company to the entity, or achieve any improper benefits in business transaction. Exception shall be applied in case of laws, regulation, statement, standard, custom, or business traditions enable to do so.

### Anti-corruption Policy

Directors, management and employees are prohibited from operating or accepting every type of corruption both in direct or indirect manner that constitutes corruption for the benefit of themselves, their family members, friends, or acquaintances whether they are in the position of being the recipient, the provider or the proponent. The policy covers every business and related department in every country.

### Duties and Responsibilities

1. The Board of Directors has duties and responsibilities to establish a policy, conduct monitoring, and provide a system for supporting efficient anti-corruption efforts, in order to ensure that all persons are aware of, and recognize the importance of anti-corruption, as well as to foster anti-corruption values as part of the organization's culture.
2. The Audit Committee has duties and responsibilities to review the financial and accounting reporting system, internal control system, internal audit system, and risk management system, to ensure that they comply with international standards and are expedient, appropriate, up-to-date and effective. The Audit Committee also has duties to serve as an agent for whistleblowing on corrupted action or behavior related to the personnel of the organization, conduct an investigation and fact finding over the reported case, and present the case to the Board of Directors to jointly determine the appropriate disciplinary action and remediation plan.

3. Chief Executive Officer and management have duties and responsibilities to manage the implementation of anti-corruption action plan and impartially communicate the plan to the employees and their related persons, review the appropriateness of the systems, procedures and measures of each function to match the changing business environment, rules, regulations and relevant legislation. They also has the duty to assist the Audit Committee in investigating the facts as notified or the work assigned by the Audit Committee regarding the investigation of fraudulent and corruption. They can delegate tasks to the management team who can help identify the facts.
4. Internal Audit Department has duties and responsibilities to audit and review the business operations whether they are accurate and complied with policy, guidelines, approval authority, implement requirements, laws, and stipulations of the regulatory authorities, in order to assure that the internal controls are sufficient and suitable for probable risk in corruption. The internal auditor is to report the findings to the Audit Committee

### Practice Guidelines

1. Directors, management, and employees at all levels must comply with the anti-corruption policy by avoiding involving with any course of corruption in direct or indirect manner.
2. Employees shall not be negligent in any corruption conditions involved directly with the Company. All employees must notify such act to supervisors or responsible person, including collaborate with investigation.
3. The Company shall provide fairness and safeguard staff who denies or informs corruption cases relating to the Company by applying protection policy for appellant or persons who incorporate with anti-corruption information.
4. A person who commits the corruption is subjected to disciplinary measures according to the Company's regulations and may be punished by laws in case such act violates the laws.
5. Employees must be aware of the importance of dissemination, knowledge sharing, and communications with other relevant person(s) who involve or affect the Company so that those parties shall conform effectively to the anti-corruption policy.
6. The Company is committed to cultivating and maintaining a corporate culture that adheres to corruption is unacceptable.

### Implementation Requirements

1. The anti-corruption policy covers to Human Resource Management process starting from recruitment, promotion, training, evaluation, and benefits provided to staff. Every supervisor in every level must communicate to staff in order to apply in business transaction under their responsibility and to monitor such implementation to be the most effective.
2. For the purpose of clarity in dealing with matters that are exposed to a high risk of corruption, the Company's directors, management members, and employees at all levels must be careful when dealing with the following:

#### 2.1 Gifts, Hospitality and Expenses

Giving or accepting gifts, entertainment and hospitality activities must not be intended to induce or refrain from any wrongdoing, nor should it be illegal or customary.

## 2.2 Charitable contributions or sponsorships

Giving or receiving charitable contributions or sponsorships must be transparent and lawful. The Company must ensure that no charitable contribution or sponsorship is used as a subterfuge for bribery.

## 2.3 Business relationships and government procurement

All dealings and interactions with the public sector must be transparent and honest, and must comply with applicable laws.

## Internal Control and Risk Management

### Summary of the Board of Directors and the Audit Committee's opinions about the Company's Internal Control Systems

In the meeting of the Board of Directors No. 2/2019 on 22 February 2019 with the Audit Committee attending the meeting, the Board of Directors had evaluated the internal control system by asking information from the executives about the adequacy of the internal control system in 5 areas, namely the organization and environment, Risk management, Control of the operations of the management, information and communication systems and the follow up system which the Board evaluated and commented that the Company has sufficient internal control system on the transaction with major shareholders, directors, executives or those related to such persons and have internal control systems in all 5 areas that are appropriate and sufficient to protect assets caused by improper use or without executive authority including internal audits that are independent in monitoring and evaluating the internal control. In the past, the Company had no significant deficiencies in the internal control system. Furthermore, the Company also has a system to store important documents that allow directors, auditors and legal authorities to be able to verify within a reasonable period of time.

In addition, the auditor of the company, EY Office Limited which is the financial auditor of the year 2018 had assessed the effectiveness of the internal control of the Company as deemed necessary and did not find any significant deficiencies in the internal control system.

According to the internal control auditing in 2018, the internal auditor has chosen to inspect the main functioning systems of Forth Factory and Genius Traffic System Co. Ltd. which are the sale system of the factory, purchase system and contract maintenance system including the follow-up of the internal audit result of the 3 systems as well as the monitoring the risk management and evaluating the annual internal control system. However, the preparation of the annual audit plan is based mainly on the business environment and risk factors. These factors are regularly monitored for their changes and the information will be used for modifying the annual audit plan in case of more risk factors found. The audit results are to be submitted and reported in the meetings of the Board of Directors and the Audit Committee for the consideration and improvement. With regard to the audit of internal control system in 2018, the internal auditor has not found any significant deficiency.

The report of the Audit Committee is presented in this 2018 Annual Report and in the attachment of the annual filing (Form 56-1).

#### Information about the internal audit unit

The Audit Committee meeting assigned Mr. Chatchavin Pipatchotitham, Assistant Chief Executive Officer working as an acting internal audit manager and working as the Head of Internal Audit which is responsible for assessing the efficiency and adequacy of the internal control system and monitoring the operations of the entire organization including affiliates.

The consideration and approval of the appointment of internal auditors has been approved by the Audit Committee with qualifications of the internal auditor presented in the attachment of the annual filing (Form 56-1)



## Connected transactions

During the year 2018, 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 for the years ended 31 December 2017 and 2018 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	31 December 2018	31 December 2017
<u>Expense</u>							
Purchase of goods/services	Forth Tracking System Co., Ltd.	X			X	9.46	5.61
Rental expense	Mr. Pongchai Amatanon		X	X		0.32	0.48
	Mrs. Rangsee Lerttripinyo			X		0.90	0.90
	Mrs. Punnee Siripongpreeda			X		-	-
Administrative expenses	Forth Tracking System Co., Ltd.	X			X	0.22	0.17
<u>Revenue</u>							
Sale of goods/ services	Forth Tracking System Co., Ltd.	X			X	24.63	14.41
Rental income	Forth Tracking System Co.,Ltd.	X			X	0.08	0.20
Other income	Forth Tracking System Co.,Ltd.	X			X	0.09	-
Interest income	Forth Tracking System Co.,Ltd.	X			X	10.2	3.47

The necessity and reasonableness of the transactions

### 1. Normal business transaction

**Purchase of goods/service** 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/service** 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. The price is set in accordance with market price and/or acquisition cost plus related expenses with the justified condition and reason.
Dividend income	Dividend received from investment in the associated company depending on the operating results of the associated company, the operating results of the associated company and in accordance with the resolution of the Board of Directors meeting or the shareholders' meeting of the associated company
Other income	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	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.
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### Measures or procedures for approval of connected transactions.

In case of a connected transactions between the Company and a person who may have a conflict of interest or has a stake or may have conflicts of interest in the future, the Audit Committee will give opinions on the necessity of entering into the transaction and the appropriateness of the price of the transaction by considering the conditions to be in line with the nature of business operations in the industry and comparing to the price of outsiders or market prices. If the Audit Committee is not proficient in the consideration of connected transactions, the Company will arrange the independent expert or the Company's auditor to give comments on such connected transactions to be used for the decision of the Board of Directors, the Audit Committee or shareholders, as is the case. The committees who have a stake are not allowed to vote on the transaction. In addition, the connected transactions will be disclosed in the notes to financial statements audited or reviewed by the Company's auditors. Moreover, the connected transaction shall comply with the laws of securities and exchange and the regulations, notifications, orders or requirements of the Securities and Exchange Commission. Those who may have conflicts of interest or have a stake in the connected transactions will not have the right to vote on such connected transactions.

## Report of the Risk Management Committee

Dear Shareholders,

The Risk Management Committee is appointed by the Board of Directors which consists of 5 directors, with Mrs. Pornpip Lerttanongsak as the Chairman of the Committee, Mr. Phongchai Amatanon, Mrs. Rangsee Lerttripinyo, Mr. Boonya Tuntipanichapun and Mr. Chatchavin Pipatchotitham as members of the Risk Management Committee.

The Risk Management Committee has performed the duties assigned by the Board of Directors which is defined in the charter of Risk Management Committee with a duty to acknowledge, determine risk management policy and strategies aligning with risk management policies as well as pushing and following up on cooperation in risk management and regularly report to the Board of Directors about the risks of the organization.

In 2018, the Risk Management Committee held 1 meeting of which results were reported to the Board of Directors in summary with important results as follows:

1. Consider and acknowledge the risks of the organization in 2018, the causes of the risks and the impact and approve the guidelines to cope with risk.
2. Consider and approve the risk management plan for the year 2019.

However, from the performance of risk management in the past year, the Risk Management Committee is confident that the Company's risk management process functions efficiently. Moreover, the executives of the Company is aware of the importance of risk management and is ready to support the risk management continuously.



**(Mrs. Pornpip Lerttanongsak)**  
**Chairman of the Risk Management**  
**Committee**

## Report of the Nomination and Remuneration Committee

Dear Shareholders

Nomination and Remuneration Committee was appointed by the Board of Directors consisting of 4 directors, with Mr. Somboon Muangklam, Independent Director, as the Chairman of the Nomination and Remuneration Committee, Mrs. Vilasinee Puddhikarant, Mrs. Rangsee Lertripinyo and Mrs. Matinee Wandeepirom as members of the Nomination and Remuneration Committee. In April 2018, the meeting of the Board of Directors considered the appointment of Mr. Somboon Muangklam and Mrs. Vilasinee Puddhikarant as the Nomination and Remuneration Committee members substituting 2 members of the Nomination and Remuneration Committee who resigned from the position of Director and Sub-Committee.

The Nomination and Remuneration Committee performs duties as assigned by the Board of Directors which is defined in the Charter of the Nomination and Remuneration Committee which is responsible for recruiting qualified persons to serve as directors of the Company, directors in various sub-committees and determine the necessary and appropriate remuneration of the directors. In addition, the Nomination and Remuneration Committee has considered the development plan for directors to improve knowledge and capabilities related to the business of the company in order to create confidence for the shareholders that all persons who are directors are qualified, knowledgeable and have the potential to work to create maximum benefits for the company and shareholders.

In 2018, the Nomination and Remuneration Committee arranged 2 meetings in which all directors attended all the 2 meetings and reported the meeting results to the Board of Directors for acknowledgment. The important results from the meeting are as follows:

1. Consider the determination of remuneration for directors from the Company's operating results, business size and responsibilities of the Board of Directors comparing with other companies that are in the same industry as the company and presented to the Annual General Meeting of Shareholders in 2018 for further approval.
2. Considering the nomination of directors to replace the resigned and retired directors by considering the appropriate qualifications in various fields in accordance with the business strategy of the Company to propose to the Board of Directors for consideration and to propose to the general meeting of shareholders for appointment.
3. Considering and nominating qualified directors to be sub-committee members and review the appropriateness of directors who hold positions in sub-committees.



(Mr. Somboon Muangklam)

Chairman of the Nomination and Remuneration Committee

## 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 2018, the Audit Committee had held four meetings with 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 2018 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 2018.
6. To conduct a self-assessment for 2018, 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 2019, 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 recognized best practice on auditing standards widely accepted. The appointment of the Company's auditor will be proposed to the 2019 Annual General Meeting of Shareholders which will be held in April 2018 for next approval.



**(Mr. Somboon Muangklam)**

**Chairman of Audit Committee**



**(Mrs. Vilasinee Puddhikarant)**

**Audit Committee**



**(Mrs. Porntip Lerttanongsak)**

**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 2018, 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 Vorapanya)

Chairman of the Board of Directors



(Mr. Pongchai Amatanon)

Chief Executive Officer

# Independent Auditor's Report

## Independent Auditor's report

To the Shareholders of Forth Corporation Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Forth Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Forth Corporation Public Company Limited for the same period.

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 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### *Revenue recognition*

The Group is principally engaged in the sales of technology and telecommunications related products, and generates revenue from sales to a large number of customers with a variety of different commercial terms. Revenue from sales is one of the Group's significant accounts and it directly affects the Group's profit or loss for the year. I therefore focused on the recognition of sales income.

I have examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, on a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period and reviewing credit notes issued by the Group after the period-end date. I also performing analytical procedures of disaggregated data to detect possible irregularities in sales transactions throughout the period.

#### *Recognition of service income from rendering of services through online top-up machines*

The service income in the consolidated financial statements included service income from rendering of services through online top-up machines of a subsidiary, accounting for 23 percent of total revenue in the consolidated financial statements. There are numerous transactions through online top-up machines with a variety of services and the income from the rendering of these services directly affect to the Group's profit or loss. I therefore addressed the amount and timing of recognition of service revenue as a key audit matter.



I have performed audit procedures with respect to recognition of service income from rendering of services through online top-up machines by evaluating and testing the IT system and internal controls of the subsidiary related to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representatives samples to test the operation of the designed controls. I also performed an analytical review of the service rates received from rendering services through online top-up machines in comparison with the rates stipulated for collection from users of online top-up machines, and performed an analytical review on disaggregated service income data in order to audit for unusual service income transactions occurring throughout the accounting period, including test of the correctness of the calculation of online top-up machine service income.

*Provision for diminution in value of inventory*

Estimating the net realisable value of inventory, as disclosed in Note 8 to the financial statements, is an area of significant management judgment because the Group's products are technology-related, and are thus at the risk of becoming obsolete when there are technological changes. Consequently, there is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed the internal controls of the Group relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included gaining an understanding of the basis applied in determining provision for diminution in value of inventory, reviewing the consistency of the application of that basis, and considering technological changes to determine whether these factors may affect the values of the Group's products. In addition, I compared the data on inventory aging report prepared by product category and comparing of proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory.

*Provision for loss of or damage to online top-up machines*

A subsidiary renders online services through top-up machines and as at 31 December 2018, the net book value of these machines recorded under property, plant and equipment was Baht 1,990 million, or 22 percent of total assets as presented in the consolidated financial statements. The online top-up machines are installed at locations around the country and the subsidiary is therefore exposed to the risk of loss of or damage to the online top-up machines, and the risk of theft of the cash receipts kept in the online top-up machines. I therefore addressed the existence of the online top-up machines and the amount of the provision for loss of or damage to the online top-up machines as a key audit matter.

I have gained understanding the internal controls of the subsidiary related to the online top-up machines by making enquiry of responsible executives and selecting representative samples to test the status of online top-up machines, and assessed the method and the assumptions applied by management in determining the provision set aside for loss of or damage to online top-up machines by making enquiry of responsible executives regarding the basis used by management in determining provision for loss of or damage to online top-up machines and the consistency of the application of that basis. In addition, I have checked the status of online top-up machines at the end of the accounting period, sent requests for confirmation of the number of online top-up machines as at the end of the accounting period to agents, and performed a physical count of online top-up machines kept at the subsidiary's premises. I also enquired with management and checking the status and movement of online top-up machines after the period end in cases where the status of online top-up machines is presented as out of service.

**Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

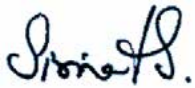
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Sirirat Sricharoensup

Certified Public Accountant (Thailand) No. 5419

EY Office Limited

Bangkok: 22 February 2019

## Statement of Financial Position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		696,326,500	998,629,514	232,243,548	449,707,686
Trade and other receivables	6, 7	2,681,345,381	1,471,968,763	770,577,114	447,349,880
Short-term loans to related parties	6	-	-	46,155,000	41,265,552
Unbilled receivables		641,239,992	525,054,812	169,273,038	85,687,094
Inventories	8	967,726,277	1,103,822,329	421,378,195	566,012,479
Other current assets		323,912,129	391,215,713	113,622,177	113,648,951
<b>Total current assets</b>		<b>5,310,550,279</b>	<b>4,490,691,131</b>	<b>1,753,249,072</b>	<b>1,703,671,642</b>
<b>Non-current assets</b>					
Restricted bank deposits	9	9,919,000	395,500	-	-
Investments in subsidiaries	10	-	-	721,165,080	578,581,580
Investments in associates	11	32,464,443	37,083,437	21,247,856	21,247,856
Other long-term investments		31,151,815	31,151,815	20,000,000	20,000,000
Investment properties	12	104,805,645	-	493,953,402	397,454,471
Property, plant and equipment	13	2,942,236,818	3,151,541,471	749,165,045	660,917,766
Intangible assets	14	105,313,909	67,641,401	44,676,266	14,875,362
Leasehold rights		16,028,179	17,153,088	16,028,179	17,153,088
Deferred tax assets	21	273,915,607	284,053,545	62,991,266	51,650,664
Other non-current assets		43,982,656	69,127,430	10,514,047	29,864,578
<b>Total non-current assets</b>		<b>3,559,818,072</b>	<b>3,658,147,687</b>	<b>2,139,741,141</b>	<b>1,791,745,365</b>
<b>Total assets</b>		<b>8,870,368,351</b>	<b>8,148,838,818</b>	<b>3,892,990,213</b>	<b>3,495,417,007</b>

## Statement of Financial Position (Cont.)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from banks	15	2,996,067,510	2,251,000,000	1,444,128,926	629,500,000
Trade and other payables	6, 16	1,347,651,602	976,092,270	269,598,696	480,589,900
Current portion of long-term loans	17	545,727,848	580,544,041	165,354,732	148,568,715
Corporate income tax payable		34,101,173	20,813,356	-	5,042,232
Other current liabilities		979,727,843	981,585,225	56,254,354	93,961,322
<b>Total current liabilities</b>		<b>5,903,275,976</b>	<b>4,810,034,892</b>	<b>1,935,336,708</b>	<b>1,357,662,169</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	17	374,206,623	557,479,243	169,771,079	178,295,571
Provision for long-term employee benefits	18	86,401,193	60,814,765	35,211,088	24,293,406
Other non-current liabilities		-	731,773	-	-
<b>Total non-current liabilities</b>		<b>460,607,816</b>	<b>619,025,781</b>	<b>204,982,167</b>	<b>202,588,977</b>
<b>Total liabilities</b>		<b>6,363,883,792</b>	<b>5,429,060,673</b>	<b>2,140,318,875</b>	<b>1,560,251,146</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
960,000,000 ordinary shares of Baht 0.5 each		480,000,000	480,000,000	480,000,000	480,000,000
Issued and fully paid-up					
960,000,000 ordinary shares of Baht 0.5 each		480,000,000	480,000,000	480,000,000	480,000,000
Share premium		362,557,877	362,557,877	362,557,877	362,557,877
Other surpluses (deficits)		(48,400,660)	200,031,283	-	-
Retained earnings					
Appropriated - statutory reserve	19	48,000,000	48,000,000	48,000,000	48,000,000
Unappropriated		848,381,179	810,904,080	862,113,461	1,044,607,984
Other components of shareholders' equity		(5,658,757)	(6,970,815)	-	-
Equity attributable to owners of the Company		1,684,879,639	1,894,522,425	1,752,671,338	1,935,165,861
Non-controlling interests of the subsidiaries		821,604,920	825,255,720	-	-
<b>Total shareholders' equity</b>		<b>2,506,484,559</b>	<b>2,719,778,145</b>	<b>1,752,671,338</b>	<b>1,935,165,861</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,870,368,351</b>	<b>8,148,838,818</b>	<b>3,892,990,213</b>	<b>3,495,417,007</b>

## Statement of Comprehensive Income

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>	22				
Sales		2,967,127,632	2,734,558,645	1,061,659,140	2,783,706,590
Services		4,090,758,168	3,516,024,854	363,583,200	178,353,175
Revenues from project work		757,074,033	699,642,917	621,740,287	220,283,901
Other income					
Dividend income		-	-	292,330,080	206,467,154
Gain (loss) on exchange		2,834,215	(9,405,326)	721,073	(19,439,892)
Others		262,274,508	224,178,340	50,352,649	59,115,418
<b>Total revenues</b>		<b>8,080,068,556</b>	<b>7,164,999,430</b>	<b>2,390,386,429</b>	<b>3,428,486,346</b>
<b>Expenses</b>					
Cost of sales		2,399,334,539	2,184,316,501	843,946,071	2,127,842,757
Cost of services		2,990,430,798	2,470,518,392	266,503,261	117,112,870
Cost of project work		654,952,484	665,112,599	527,177,574	180,722,114
Selling and distribution expenses		108,453,575	139,261,284	39,619,293	35,797,252
Administrative expenses		853,494,903	926,785,326	345,263,611	428,125,672
Impairment loss on investment in subsidiaries	10.1	-	-	23,000,000	83,764,065
Impairment loss on equipment (reversal)	13	(3,132,875)	43,040,303	(3,132,875)	2,837,533
<b>Total expenses</b>		<b>7,003,533,424</b>	<b>6,429,034,405</b>	<b>2,042,376,935</b>	<b>2,976,202,263</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>		<b>1,076,535,132</b>	<b>735,965,025</b>	<b>348,009,494</b>	<b>452,284,083</b>
Share of profit from investments in associates	11.2	5,580,106	9,191,380	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>1,082,115,238</b>	<b>745,156,405</b>	<b>348,009,494</b>	<b>452,284,083</b>
Finance cost		(128,126,885)	(124,160,073)	(38,652,637)	(38,343,897)
<b>Profit before income tax expenses</b>		<b>953,988,353</b>	<b>620,996,332</b>	<b>309,356,857</b>	<b>413,940,186</b>
Income tax expenses	21	(134,182,307)	(60,962,868)	(7,722,761)	(20,340,699)
<b>Profit for the year</b>		<b>819,806,046</b>	<b>560,033,464</b>	<b>301,634,096</b>	<b>393,599,487</b>



## Statement of Comprehensive Income (Cont.)

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		1,312,058	(8,192,745)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		1,312,058	(8,192,745)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial losses	18	(11,961,777)	-	(5,160,774)	-
Less: Income tax effect	21	2,300,612	-	1,032,155	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(9,661,165)	-	(4,128,619)	-
<b>Other comprehensive income for the year (loss)</b>		<b>(8,349,107)</b>	<b>(8,192,745)</b>	<b>(4,128,619)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>811,456,939</b>	<b>551,840,719</b>	<b>297,505,477</b>	<b>393,599,487</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		526,148,380	271,538,323	301,634,096	393,599,487
Non-controlling interests of the subsidiaries		293,657,666	288,495,141		
		<u>819,806,046</u>	<u>560,033,464</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		518,789,157	263,345,578	297,505,477	393,599,487
Non-controlling interests of the subsidiaries		292,667,782	288,495,141		
		<u>811,456,939</u>	<u>551,840,719</u>		
<b>Basic earnings per share</b>	23				
Profit attributable to equity holders of the Company		0.55	0.28	0.31	0.41

# Statement of Changes in Shareholder's Equity

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company					Other components of equity					
	Issued and fully paid-up share capital	Share premium	Retained earnings of subsidiaries arising from the Company swapping shares of subsidiaries at a price lower than net book value of the subsidiaries as at the acquisition date	Capital surplus (deficit) from changes in shareholding in subsidiaries	Total other surpluses (deficits)	Retained earnings - Appropriated statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
<b>Balance as at 1 January 2017</b>	480,000,000	362,557,877	40,891,171	159,140,112	200,031,283	48,000,000	865,765,757	1,221,930	1,957,576,847	671,759,584	2,629,336,431
Profit for the year	-	-	-	-	-	-	271,538,323	-	271,538,323	288,495,141	560,033,464
Other comprehensive income for the year	-	-	-	-	-	-	-	(8,192,745)	(8,192,745)	-	(8,192,745)
Total comprehensive income for the year	-	-	-	-	-	-	271,538,323	(8,192,745)	263,345,578	288,495,141	551,840,719
Dividend payment (Note 26)	-	-	-	-	-	-	(326,400,000)	-	(326,400,000)	-	(326,400,000)
Increase in non-controlling interests of the subsidiary from increase in the subsidiary (Note 10.1)	-	-	-	-	-	-	-	-	-	72,000,090	72,000,090
Increase in non-controlling interest of subsidiary from investment in the subsidiary	-	-	-	-	-	-	-	-	-	10,000,005	10,000,005
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary (Note 10.2)	-	-	-	-	-	-	-	-	-	(216,999,100)	(216,999,100)
<b>Balance as at 31 December 2017</b>	480,000,000	362,557,877	40,891,171	159,140,112	200,031,283	48,000,000	810,904,080	(6,970,815)	1,894,522,425	825,255,720	2,719,778,145
<b>Balance as at 1 January 2018</b>	480,000,000	362,557,877	40,891,171	159,140,112	200,031,283	48,000,000	810,904,080	(6,970,815)	1,894,522,425	825,255,720	2,719,778,145
Profit for the year	-	-	-	-	-	-	526,148,380	-	526,148,380	293,657,666	819,806,046
Other comprehensive income for the year (loss)	-	-	-	-	-	-	(8,671,281)	1,312,058	(7,359,223)	(989,884)	(8,349,107)
Total comprehensive income for the year	-	-	-	-	-	-	517,477,099	1,312,058	518,789,157	292,667,782	811,466,939
Dividend payment (Note 26)	-	-	-	-	-	-	(480,000,000)	-	(480,000,000)	-	(480,000,000)
Purchases of investments in the subsidiary (Note 10.1)	-	-	-	(93,120,892)	(93,120,892)	-	-	-	(93,120,892)	(24,462,638)	(117,583,530)
Change in the ownership interests in subsidiary from purchase of treasury stock of the subsidiary (Note 27)	-	-	-	(155,311,051)	(155,311,051)	-	-	-	(155,311,051)	(32,030,154)	(187,341,205)
Increase in non-controlling interests of the subsidiary from investment in subsidiary (Note 10.1)	-	-	-	-	-	-	-	-	-	12,000,000	12,000,000
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary (Note 10.2)	-	-	-	-	-	-	-	-	-	(251,825,790)	(251,825,790)
<b>Balance as at 31 December 2018</b>	480,000,000	362,557,877	40,891,171	(99,291,831)	(48,400,660)	48,000,000	848,351,179	(5,655,757)	1,684,879,639	821,654,920	2,506,484,559

## Statement of Changes in Shareholder's Equity (Cont.)

For the year ended 31 December 2018

	Separate financial statements					(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity	
			Appropriated - Statutory reserve	Unappropriated		
<b>Balance as at 1 January 2017</b>	480,000,000	362,557,877	48,000,000	977,408,497	1,867,966,374	
Profit for the year	-	-	-	393,599,487	393,599,487	
Total comprehensive income for the year	-	-	-	393,599,487	393,599,487	
Dividend payment (Note 26)	-	-	-	(326,400,000)	(326,400,000)	
<b>Balance as at 31 December 2017</b>	<b>480,000,000</b>	<b>362,557,877</b>	<b>48,000,000</b>	<b>1,044,607,984</b>	<b>1,935,165,861</b>	
<b>Balance as at 1 January 2018</b>	<b>480,000,000</b>	<b>362,557,877</b>	<b>48,000,000</b>	<b>1,044,607,984</b>	<b>1,935,165,861</b>	
Profit for the year	-	-	-	301,634,096	301,634,096	
Other comprehensive income for the year (loss)	-	-	-	(4,128,619)	(4,128,619)	
Total comprehensive income for the year	-	-	-	297,505,477	297,505,477	
Dividend payment (Note 26)	-	-	-	(480,000,000)	(480,000,000)	
<b>Balance as at 31 December 2018</b>	<b>480,000,000</b>	<b>362,557,877</b>	<b>48,000,000</b>	<b>862,113,461</b>	<b>1,752,671,338</b>	

## Cash Flow Statement

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before tax	953,988,353	620,996,332	309,356,857	413,940,186
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	470,817,075	410,739,955	56,525,750	47,557,122
Amortisation for intangible assets	10,748,804	6,351,369	2,830,377	1,442,841
Amortisation for leasehold right and others	1,124,909	1,340,909	1,124,909	1,124,909
Write-off of equipment	2,545,155	3,164,653	184	-
Doubtful accounts (reversal)	1,012,343	29,837,854	(10,889,303)	40,152,929
Write-off of bad debts	-	1,028,427	-	698,237
Decrease of inventories to net realisable value	57,417,930	31,341,330	40,630,700	24,513,845
Loss from impairment on investment in subsidiaries	-	-	23,000,000	83,764,065
Loss from impairment on equipment (reversal)	312,654	43,040,303	(3,132,875)	2,837,533
Unrealised loss (gain) on exchange	(727,444)	1,409,746	(609,295)	3,377,064
Share of profit from investments in associates	(5,580,106)	(9,191,380)	-	-
Loss (gain) on sales of equipment	(5,195,811)	195,613	7,016	112,726
Dividend income	-	-	(292,330,080)	(206,467,154)
Doubtful accounts - retention receivable	1,116,023	2,951,714	-	-
Increase in provision for long-term employee benefits	13,624,651	11,489,768	5,756,908	4,764,403
Interest expenses	104,630,158	92,113,801	36,015,578	34,184,265
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>1,605,834,694</b>	<b>1,246,810,394</b>	<b>168,286,726</b>	<b>452,002,971</b>
Operating assets (increase) decrease				
Trade and other receivables	(1,210,136,680)	23,827,178	(310,124,237)	102,403,658
Inventories	78,678,122	30,109,453	104,003,584	118,481,697
Unbilled receivables	(116,185,180)	(162,844,474)	(83,585,944)	14,452,478
Other current assets	73,177,656	(19,749,116)	14,154,498	(9,538,077)
Other non-current assets	26,260,797	(17,897,200)	19,350,531	(910,111)
Operating liabilities increase (decrease)				
Trade and other payables	370,991,246	12,157,343	(211,944,280)	(34,899,722)
Other current liabilities	(1,624,725)	214,531,847	(37,706,968)	42,370,892
Other non-current liabilities	-	(628,930)	-	(140,400)
<b>Cash flows from (used in) operating activities</b>	<b>826,995,930</b>	<b>1,326,316,495</b>	<b>(337,566,090)</b>	<b>684,223,386</b>
Cash paid for interest expenses	(104,650,795)	(91,240,879)	(35,791,431)	(34,309,787)
Cash paid for corporate income tax	(124,452,767)	(114,991,246)	(37,166,877)	(27,488,260)
Cash receipts from income tax	10,157,043	80,516,198	-	17,199,503
<b>Net cash flows from (used in) operating activities</b>	<b>608,049,411</b>	<b>1,200,600,568</b>	<b>(410,524,398)</b>	<b>639,624,842</b>

## Cash Flow Statement (Cont.)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted bank deposits	(9,523,500)	20,480,970	-	-
Increase in other long-term investments	-	(11,151,815)	-	-
Proceeds from sales of equipment	6,274,903	1,263,619	75	267,028
Acquisition of investment properties	(105,128,154)	-	(134,732,884)	(20,561,316)
Acquisition of property, plant and equipment	(265,126,815)	(1,097,897,468)	(103,413,474)	(209,390,349)
Acquisition of computer software	(48,421,311)	(35,666,796)	(32,631,281)	(8,994,911)
Increase in short-term loans to related parties	-	-	(5,799,207)	(4,146,845)
Cash receipts from dividend of subsidiaries and associates	10,199,100	3,467,694	292,330,080	206,467,154
Increase in investment in subsidiaries	(117,583,530)	-	(167,583,500)	(89,549,910)
Cash received from decrease in share capital of subsidiary	-	-	2,000,000	9,210,000
<b>Net cash flows used in investing activities</b>	<b>(529,309,307)</b>	<b>(1,119,503,796)</b>	<b>(149,830,191)</b>	<b>(116,699,149)</b>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans from banks	745,067,510	703,000,000	814,628,926	154,500,000
Cash receipts from long-term loans	352,900,000	710,000,000	152,900,000	110,000,000
Repayments of long-term loans	(570,988,813)	(458,635,965)	(144,638,475)	(156,723,377)
Repayment of liabilities under finance lease agreement	(964,432)	(638,688)	-	-
Dividend paid	(480,000,000)	(326,400,000)	(480,000,000)	(326,400,000)
Cash paid for treasury stock of the subsidiary	(187,341,205)	-	-	-
Dividend paid to non-controlling interests of the subsidiary	(251,825,790)	(216,999,100)	-	-
Increase in non-controlling interests of the subsidiaries from increase capital of the subsidiaries	12,000,000	72,000,090	-	-
Increase in non-controlling interests of the subsidiary from investment in the subsidiary	-	10,000,005	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>(381,152,730)</b>	<b>492,326,342</b>	<b>342,890,451</b>	<b>(218,623,377)</b>
<b>Increase (decrease) in translation adjustments</b>	<b>109,612</b>	<b>(2,921,277)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(302,303,014)</b>	<b>570,501,837</b>	<b>(217,464,138)</b>	<b>304,302,316</b>
Cash and cash equivalents at beginning of year	998,629,514	428,127,677	449,707,686	145,405,370
<b>Cash and cash equivalents at end of year</b>	<b>696,326,500</b>	<b>998,629,514</b>	<b>232,243,548</b>	<b>449,707,686</b>
	-	-	-	-
<b>Supplemental disclosures of cash flows information</b>				
<b>Non-cash transactions</b>				
Transfer investment properties to land	-	-	35,819,530	-
Acquisition of motor vehicle under lease agreement	-	1,214,250	-	-

## Financial Statements

For the year ended 31 December 2018

### 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 install telecommunication equipment. The registered office of the Company is at 1053/1, Phaholyothin Road, Phayathai, Phayathai, Bangkok. The factory of the Company is at 77 Moo 11, Phuttamonton 5 Road, Raikhing, Sampran, Nakhonpratom.

### 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 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

### 2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholdings	
			2018	2017
			%	%
<u>Subsidiaries held by the Company</u>				
Electronics Source Co., Ltd.	Trading of electronic parts	Thailand	100	100
Genius Traffic System Co., Ltd.	Sale and installation of light boards and traffic systems	Thailand	100	100
Joint Venture Genius	Concession for traffic board project	Thailand	100*	100*

Company's name	Nature of business	Country of incorporation	Percentage of shareholdings	
			2018	2017
			%	%
Forth Smart Service Plc.	Payment service via automatic teller machines	Thailand	49	46
Forth Consulting Co., Ltd.	Consulting service for information management and computer software management	Thailand	100	100
Forth Lighting Co., Ltd.	Manufacture and distribution of lamps and lighting equipment	Thailand	100	100
Forth Meter Co., Ltd.	Distribution of electronic meter	Thailand	85	85
Forth Vending Co., Ltd.	Management of vending machines	Thailand	50**	50**
Mindmap Commtech Inc.	Payment service via automatic teller machines (cease operation)	Philippines	100	100
Joint Venture Forth Genius	Turnkey on installation of CCTV	Thailand	100***	100***
<u>Subsidiaries held through subsidiaries of the Company</u>				
Forth Smart Trading Co., Ltd.	Sales and other services via automatic teller machines	Thailand	100	100
Forth Smart Digital Co., Ltd.	E-Commerce	Thailand	60	60

\* 20% of the shares are held by the Company, 80% by Genius Traffic System Co., Ltd.

\*\* 45% of the shares are held by the Company, 10% by Forth Smart Service Plc.

\*\*\* 95% of the shares are held by the Company, 5% by Genius Traffic System Co., Ltd.

- b) The Company is deemed to have control over an investee or subsidiaries 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.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- h) 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 present investments in subsidiaries, joint ventures and associates under the cost method.

### 3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and its interpretation (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarification directed towards disclosure in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### (b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2018), which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However the new standard involves changes to key principles, as summarised bellows.



## TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

### (c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, The Federation of Accounting Professionals issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **4. Significant accounting policies**

##### **4.1 Revenues recognition**

###### *Sales of goods*

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

###### *Rendering of services*

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

A subsidiary recognised fee income from rendering of top-up service for prepaid phone and 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 telephone network operators and online service providers. Fee income from rendering of services through online top-up machines is recognised when services have been rendered and customers have already paid service fees through online top-up machines.

###### *Revenues from project work*

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

### *Dividends*

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

### *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.

## **4.2 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.

## **4.3 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.

## **4.4 Trade accounts receivable**

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

## **4.5 Inventories**

Finished goods and work in process are valued at the lower of cost (first-in, first-out method and weighted average 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 weighted average method) and net realisable value and are charged to production costs whenever consumed.

#### 4.6 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).
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost not of allowance for impairment loss (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.

#### 4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of investment properties is included in determining income.

No depreciation is provided on land classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.8 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of asset (if any).

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 and building improvements	5, 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.

#### 4.9 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:

Computer software	3, 5, 10 years
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#### 4.10 Related party transactions

Related parties comprise individuals and enterprises 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.

#### 4.11 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.

#### 4.12 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.

#### 4.13 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.

#### 4.14 Employee benefits

##### Short-term employee benefits

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

##### Post-employment benefits

###### *Defined contribution plans*

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

### *Defined benefit plans*

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

### **4.15 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.

### **4.16 Income tax**

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

#### **Current tax**

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

#### **Deferred tax**

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

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

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

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

#### **4.17 Forward currency contracts**

Forward currency contracts are presented in the financial statements at fair value. Any gains or losses arising from changes in the fair value of those forward currency contracts are recorded in profit or loss.

#### **4.18 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

### **5. Significant accounting judgements and estimates**

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



**Consolidation of subsidiaries that the Company holds less than half of shares**

The management of the Company determined that the Company has control over certain subsidiaries in which the Company holds less than half of shares, as follows:

- (a) Forth Smart Service Public Company Limited: Even though the Company holds 49% of the shares and voting rights, or less than half, the Company is the major shareholder and has the ability to direct the significant activities of the subsidiary, while other shareholders are only retail investors. As a result, Forth Smart Service Public Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.
- (b) Forth Vending Company Limited: Even though the Company holds 45% of shares and voting rights, which is less than half, Forth Smart Service Public Company Limited, one of the subsidiaries, holds 10% of the shares. As a result, the Company and its subsidiary are major shareholders, together holding more than half of shares, and have the ability to direct the significant activities of this company. As a result, Forth Vending Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

**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.

### 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 compete the project, and to review the estimated cost on a regular basis and when it is determined that actual costs materially differ from the estimates.

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

### Post-employment benefits under defined benefit plans

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

## 6. Related party transactions

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

		(Unit: Million Baht)			
		Consolidated		Separate	
Pricing policy		financial statements		financial statements	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchases of raw materials	Compared to market price	-	-	53	282
Purchases of goods	Compared to market price	-	-	5	-
Sales of goods	Compared to market price	-	-	520	1,253
Service income	Agreed price	-	-	4	2
Revenue from project work	Agreed price	-	-	-	1
Other income	Agreed price	-	-	12	13

(Unit: Million Baht)

	Pricing policy	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Dividend income	As declared	-	-	282	203
Interest income	Interest at 3 - 5 % per annum	-	-	2	2
Rental income	Agreed price	-	-	25	25
Cost of project work	Agreed price	-	-	-	2
Selling and administrative expenses	Agreed price	-	-	1	3
<b>Transactions with associates</b>					
Purchases of raw materials	Compared to market price	-	5	-	5
Sales of goods	Compared to market price	25	14	10	5
Dividend income	As declared	-	-	10	3
Cost of project work	Agreed price	9	-	9	-
<b>Transactions with related companies</b>					
Selling and administrative expenses	Agreed price	-	2	-	2
<b>Transactions with directors and related individuals</b>					
Rental expenses	Agreed price	1	1	1	1

As at 31 December 2018 and 2017, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Trade and other receivables - related parties (Note 7)</b>				
Subsidiaries	-	-	418,437	138,767
Associates	1,585	1,554	-	-
Related companies (related by common directors and management)	-	109	-	109
Directors	250	20	-	-
<b>Total</b>	<b>1,835</b>	<b>1,683</b>	<b>418,437</b>	<b>138,876</b>
Less: Allowance for doubtful debts	-	-	(12,044)	(16,143)
<b>Total trade and other receivables - related parties</b>	<b>1,835</b>	<b>1,683</b>	<b>406,393</b>	<b>122,733</b>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Trade and other payables - related parties (Note 16)</b>				
Subsidiaries	-	-	22,513	170,037
Associates	15,606	11,243	15,478	11,164
Related companies (related by common directors and management)	-	1,000	-	1,000
Directors	2,071	1,230	1,271	750
<b>Total trade and other payables - related parties</b>	<b>17,677</b>	<b>13,473</b>	<b>39,262</b>	<b>182,951</b>

### Short-term loans to related parties

Short-term loans to related parties carry interest at the rates of 3 - 5 percent per annum and are due at call. As at 31 December 2018 and 2017, the balance of short-term loans to related parties and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements	
	<u>2018</u>	<u>2017</u>
Subsidiaries	64,290	58,554
Less: Allowance for doubtful debts	(18,135)	(17,289)
<b>Total short-term loans to related parties</b>	<b>46,155</b>	<b>41,265</b>

(Unit: Thousand Baht)

	Relationship	Separate financial statements				Balance as at 31 December 2018
		Balance as at 31 December 2017	Increase during the year	Decrease during the year	Unrealised loss on exchange	
Forth Consulting Co., Ltd.	Subsidiary	12,860	9,500	(22,360)	-	-
Forth Meter Co., Ltd.	Subsidiary	18,405	3,550	-	-	21,955
Forth Lighting Co., Ltd.	Subsidiary	10,000	-	-	-	10,000
Mindmap Commtech Inc.	Subsidiary	17,289	910	-	(64)	18,135
Joint Venture Forth						
Genius	Subsidiary	-	14,200	-	-	14,200
<b>Total</b>		<b>58,554</b>	<b>28,160</b>	<b>(22,360)</b>	<b>(64)</b>	<b>64,290</b>
Less: Allowance for doubtful debts		(17,289)	(910)	-	64	(18,135)
<b>Total short-term loans to related parties, net</b>		<b>41,265</b>	<b>27,250</b>	<b>(22,360)</b>	<b>-</b>	<b>46,155</b>

### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	70,464	73,902	45,830	43,689
Post-employment benefits	4,037	3,248	2,267	1,872
<b>Total</b>	<b>74,501</b>	<b>77,150</b>	<b>48,097</b>	<b>45,561</b>

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in note 28.4 to the financial statements.

## 7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	1,585	1,554	44,835	34,098
Past due				
Up to 3 months	-	109	13,671	5,881
3 - 6 months	237	-	118,372	5,730
6 - 12 months	-	-	207,824	12,122
Over 12 months	13	-	23,388	67,723
<b>Total</b>	<b>1,835</b>	<b>1,663</b>	<b>408,090</b>	<b>125,554</b>
Less: Allowance for doubtful debts	-	-	(10,937)	(15,570)
<b>Total trade receivables - related parties, net</b>	<b>1,835</b>	<b>1,663</b>	<b>397,153</b>	<b>109,984</b>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	1,070,306	982,024	153,867	190,074
Past due				
Up to 3 months	881,091	180,782	77,097	68,029
3 - 6 months	123,795	12,204	1,459	1,624
6 - 12 months	263,993	14,918	34,000	5,664
Over 12 months	113,153	162,506	47,110	62,767
Total	2,452,338	1,352,434	313,533	328,158
Less: Allowance for doubtful debts	(52,244)	(50,983)	(2,265)	(9,901)
Total trade accounts receivable - unrelated parties, net	2,400,094	1,301,451	311,268	318,257
Total trade receivables - net	2,401,929	1,303,114	708,421	428,241
<u>Other receivables</u>				
Interest receivables	25	47	-	-
Accrued income	270,037	154,281	52,044	5,466
Less: Allowance for doubtful debts	(4,000)	(4,000)	-	-
Accrued income - net	266,062	150,328	52,044	5,466
Advances to unrelated parties	40,729	41,754	20,970	20,991
Less: Allowance for doubtful debts	(40,445)	(41,517)	(20,946)	(20,946)
Advances to unrelated parties - net	284	237	24	45
Other receivables - unrelated parties	15,290	20,490	3,068	3,069
Less: Allowance for doubtful debts	(2,220)	(2,220)	(2,220)	(2,220)
Other receivables - unrelated parties - net	13,070	18,270	848	849
Advances to related parties	-	-	-	9
Other receivables - related parties	-	20	7,081	7,643
Accrued income from related parties	-	-	206	1,212
Interest receivables from related parties	-	-	3,060	4,458
Less: Allowance for doubtful debts	-	-	(1,107)	(573)
Interest receivables from related parties - net	-	-	1,953	3,885
Total other receivables - net	279,416	168,855	65,156	19,109
Trade and other receivables - net	2,681,345	1,471,969	770,577	447,350

As at 31 December 2018, the balances of trade receivables in the consolidated financial statements included an account receivable of Baht 7 million (2017: Baht 7 million) from Bangkok Trivision Company Limited. This balance has been outstanding in the subsidiary's book of account for a considerable period of time and the subsidiary already recorded an allowance for doubtful debts of Baht 7 million (2017: Baht 1 million) in its accounts.

## 8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Raw materials	475,509	546,348	(168,290)	(127,096)	307,219	419,252
Work in process	36,644	96,500	(4,918)	(12,512)	31,726	83,988
Finished goods	780,166	746,664	(193,691)	(169,873)	586,475	576,791
Goods in transit	7,959	9,197	-	-	7,959	9,197
Project in progress	34,347	14,594	-	-	34,347	14,594
<b>Total inventories</b>	<b>1,334,625</b>	<b>1,413,303</b>	<b>(366,899)</b>	<b>(309,481)</b>	<b>967,726</b>	<b>1,103,822</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Raw materials	388,314	434,821	(144,363)	(108,155)	243,951	326,666
Work in process	16,560	76,229	(30)	(5,401)	16,530	70,828
Finished goods	233,447	249,787	(104,169)	(94,375)	129,278	155,412
Goods in transit	3,504	8,629	-	-	3,504	8,629
Project in progress	28,115	4,477	-	-	28,115	4,477
<b>Total inventories</b>	<b>669,940</b>	<b>773,943</b>	<b>(248,562)</b>	<b>(207,931)</b>	<b>421,378</b>	<b>566,012</b>

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 57 million (2017: Baht 31 million) (the Company only: Baht 41 million, 2017: Baht 25 million), to reflect the net realisable value. This was included in cost of sales.

## 9. Restricted bank deposits

These represent the subsidiary's fixed deposits which are pledged with bank to secure letter of guarantee issued by a local bank on behalf of the subsidiary in respect of certain performance bonds required in the normal course of business.

## 10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Cost		Allowance for impairment		Carrying amounts based on cost method - net		Dividend received during the years	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Subsidiaries held by the Company</b>								
Electronics Source Co., Ltd.	54,976	54,976	-	-	54,976	54,976	59,999	20,000
Genius Traffic System Co., Ltd.	200,056	200,056	-	-	200,056	200,056	-	-
Joint Venture Genius	3,000	5,000	-	-	3,000	5,000	-	-
Forth Smart Service Plc.	300,583	183,000	-	-	300,583	183,000	222,132	183,000
Forth Consulting Co., Ltd.	30,000	7,000	(30,000)	(7,000)	-	-	-	-
Forth Lighting Co., Ltd.	10,000	10,000	-	-	10,000	10,000	-	-
Forth Meter Co., Ltd.	18,000	18,000	(18,000)	(18,000)	-	-	-	-
Forth Vending Co., Ltd.	144,000	117,000	-	-	144,000	117,000	-	-
Mindmap Commtech Inc.	76,764	76,764	(76,764)	(76,764)	-	-	-	-
Joint Venture Forth Genius	8,550	8,550	-	-	8,550	8,550	-	-
<b>Subsidiary held through</b>								
<b>Forth Smart Service Plc.</b>								
Forth Smart Trading Co., Ltd.	-	-	-	-	-	-	-	-
<b>Subsidiary held through</b>								
<b>Forth Smart Trading Co., Ltd.</b>								
Forth Smart Digital Co., Ltd.	-	-	-	-	-	-	-	-
<b>Total</b>	<b>845,929</b>	<b>680,346</b>	<b>(124,764)</b>	<b>(101,764)</b>	<b>721,165</b>	<b>578,582</b>	<b>282,131</b>	<b>203,000</b>



- (a) On 3 February 2017, the Extraordinary General Meeting of the shareholders of Forth Vending Company Limited (a subsidiary), passed a resolution to approve an increase in the registered share capital from Baht 80 million (8,000,000 ordinary shares with par value of Baht 10 each) to Baht 320 million (32,000,000 ordinary shares with par value of Baht 10 each) through the issue and offering of 24,000,000 additional ordinary shares with par value of Baht 10 each to the existing shareholders. During the year 2017, such company called up 75 percent of the additional registered share capital totaling Baht 81 million and the Company had paid in this amount.

Subsequently, on 15 November 2018, such subsidiary called up remaining 25 percent of the additional registered share capital totaling Baht 27 million. The Company had paid in this amount.

- (b) On 4 June 2018, the Board of Directors meeting of the Company passed a resolution granting approval for the Company to purchase an additional share of Forth Smart Service Public Company Limited (subsidiary), with a budget of up to Baht 300 million, to purchase no more than 30 million shares. The shares are to be purchased on the Stock Exchange of Thailand.

During the current year, the Company additional purchased ordinary shares of its subsidiary totaling 15,789,000 shares, or amounting to Baht 117.6 million and its shareholding increased from 45.8 percent to 47.7 percent of the subsidiary's registered share capital. The Company recorded the excess of the acquisition price over the attributable net book value of its subsidiary, amounting to Baht 93.1 million in shareholders' equity under the caption of "Capital surplus (deficit) from changes in shareholding in subsidiaries" in the consolidated financial statements.

During January 2019, the Company additional purchased ordinary shares of its subsidiary totaling 4,886,100 shares, or amounting to Baht 28.9 million.

In addition, as described in Note 27 to the consolidated financial statements, during the current year, the subsidiary has purchased back 20,000,000 ordinary shares from the Stock Exchange of Thailand, and therefore the Company's shareholding in the subsidiary also changed. As a result of such events, as at 31 December 2018 the Company's shareholding in the subsidiary is 49.0 percent.

- (c) On 11 July 2018, the Extraordinary General Meeting of Shareholders of Forth Consulting Company Limited (subsidiary), passed a resolution to increase its registered share capital from Baht 10 million (100,000 ordinary shares with par value of Baht 100 each) to Baht 33 million (330,000 ordinary shares with par value of Baht 100 each) by issuing the new 230,000 ordinary shares with par value of Baht 100 each to the existing shareholders. The subsidiary registered the increased capital with the Ministry of Commerce on 17 July 2018. During the current period, the Company had already made payment for the share capital.

Subsequently, on 30 September 2018, the Company fully set up an allowance for impairment of investments in subsidiary.

- (d) On 13 November 2018, the Counterparty Meeting of Joint Venture Genius (a subsidiary) passed a resolution to decrease of share capital by Baht 10 million, from Baht 25 million to Baht 15 million due to the sufficient liquidity of the joint venture. Joint Venture Genius already paid back the share capital to its 2 counterparties in proportion to their investment percentage.

## 10.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)						
Forth Smart Service Plc.	51	54	713.3	721.3	300.4	296.6	251.8	217.0
Forth Vending Co., Ltd.	50	50	100.8	97.8	(9.0)	(6.4)	-	-

## 10.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

### Summarised information about financial position

(Unit: Million Baht)

	Forth Smart Service Plc.		Forth Vending Co., Ltd.	
	2018	2017	2018	2017
Current assets	1,422	1,338	101	91
Non-current assets	2,539	2,946	189	166
Current liabilities	2,509	2,577	31	26
Non-current liabilities	212	378	1	-

Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

	Forth Smart Service Plc.		Forth Vending Co., Ltd.	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue	3,552	3,334	139	79
Profit (loss)	575	547	(18)	(13)
Other comprehensive income	(2)	-	-	-
Total comprehensive income	573	547	(18)	(13)

Summarised information about cash flow

(Unit: Million Baht)

For the years ended 31 December

	Forth Smart Service Plc.		Forth Vending Co., Ltd.	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flow from (used in) operating activities	1,055	1,120	(2)	(7)
Cash flow used in investing activities	(138)	(1,191)	(48)	(115)
Cash flow from (used in) financing activities	(922)	199	45	171
Net increase (decrease) in cash and cash equivalents	(5)	128	(5)	49

## 11. Investments in associates

### 11.1 Details of associates:

(Unit: Thousand Baht)

Company's name (Nature of business)	Country of incorporation	Shareholding percentage		Consolidated financial statements				Separate financial statements			
		2018	2017	Carrying amounts based on equity method		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
		(%)	(%)	2018	2017	2018	2017	2018	2017	2018	2017
FPT Payment Technology JSC* (Payment service via automatic teller machines)	Vietnam	30	30	11,048	11,048	18,549	18,549	(7,500)	(7,500)	11,049	11,049
Forth Tracking System Co., Ltd. (Distribution of vehicle tracking equipment)	Thailand	34	34	21,416	26,035	10,199	10,199	-	-	10,199	10,199
<b>Total</b>				<b>32,464</b>	<b>37,083</b>	<b>28,748</b>	<b>28,748</b>	<b>(7,500)</b>	<b>(7,500)</b>	<b>21,248</b>	<b>21,248</b>

\* The associate is in process of dissolution

## 11.2 Share of comprehensive income 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	Consolidated financial statements			Separate financial statements		
	2018	2017	2018	2018	2017	2018
			Share of profit/loss from investments in associates during the years	Share of other comprehensive income from investments in associates during the years	Dividend received during the years	
FPT Payment Technology JSC*	-	-	-	-	-	-
Forth Tracking System Co., Ltd.	5,580	9,191	-	-	10,199	3,468
Total	5,580	9,191	-	-	10,199	3,468

\* The associate is in process of dissolution

## 11.3 Summarised financial information about material associates

Summarised information about financial position

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit for the years ended 31 December		
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
	Foreign currency										
FPT Payment Technology JSC*	VND	42,000	42,000	40	40	1	1	-	-	-	
Forth Tracking System Co., Ltd.	THB	30	30	114	118	44	41	134	134	24	

\* The associate is in process of dissolution

## 12. Investment properties

The net book value of investment properties as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land	Building	Total	Office building for		
				Land	rent	Total
As at 31 December 2018:						
Cost	83,918	21,210	105,128	435,628	62,903	498,531
<u>Less: Accumulated</u>						
depreciation	-	(322)	(322)	-	(4,578)	(4,578)
Net book value	<u>83,918</u>	<u>20,888</u>	<u>104,806</u>	<u>435,628</u>	<u>58,325</u>	<u>493,953</u>
As at 31 December 2017:						
Cost	-	-	-	357,924	41,693	399,617
<u>Less: Accumulated</u>						
depreciation	-	-	-	-	(2,163)	(2,163)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,924</u>	<u>39,530</u>	<u>397,454</u>

A reconciliation of the net book value of investment properties for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidate		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	-	-	397,454	378,917
Acquisition of assets	105,128	-	134,733	20,561
Transfers	-	-	(35,820)	-
Depreciation charged	(322)	-	(2,414)	(2,024)
Net book value at end of year	<u>104,806</u>	<u>-</u>	<u>493,953</u>	<u>397,454</u>

The fair value of the investment properties as at 31 December 2018 and 2017 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land and office				
building held for rent	105,128	-	546,544	447,631

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land has been determined based on market prices, while that of the office building held for rent has been determined using the cost approach.

### 13. Property, plant and equipment

(Unit: Thousand Baht)

Cost	Consolidated financial statements									
	Land	Land improvement	Building and building improvements	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total	
As at 1 January 2017	620,364	516	450,073	681,816	2,216,615	269,479	121,150	13,710	4,373,723	
Additions	132,177	-	4,853	4,360	841,770	22,103	8,857	84,992	1,099,112	
Disposals/written-off	-	-	(1,027)	(892)	(5,470)	(6,387)	(1,217)	-	(14,993)	
Transferred in (out)	2,485	999	9,269	918	(3,792)	11,788	-	(21,667)	-	
Translation adjustment	-	-	(122)	-	(10,022)	(899)	(187)	-	(11,230)	
As at 31 December 2017	755,026	1,515	463,046	686,202	3,039,101	296,084	128,603	77,035	5,446,612	
Additions	29,605	-	902	11,610	154,681	16,640	1,193	50,496	265,127	
Disposals/written-off	-	-	(2,523)	(30)	(16,144)	(5,297)	(640)	-	(24,634)	
Transferred in (out)	-	-	112,069	-	97	15,005	-	(127,171)	-	
Translation adjustment	-	-	-	-	(4,482)	(409)	(46)	-	(4,937)	
As at 31 December 2018	784,631	1,515	573,494	697,782	3,173,253	322,023	129,110	360	5,682,168	



(Unit: Thousand Baht)

Consolidated financial statements									
Building and									
	Land	Land improvement	Building improvements	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total
<b>Accumulated depreciation</b>									
As at 1 January 2017	-	114	191,203	609,733	782,468	166,940	96,994	-	1,847,452
Depreciation for the year	-	42	30,418	17,297	320,415	32,509	10,059	-	410,740
Depreciation on disposals	-	-	(718)	(494)	(3,070)	(5,527)	(560)	-	(10,369)
Depreciation on transferred in (out)	-	-	-	329	(2,899)	2,570	-	-	-
Translation adjustment	-	-	(78)	-	(4,516)	(711)	(81)	-	(5,386)
As at 31 December 2017	-	156	220,825	626,865	1,092,398	195,781	106,412	-	2,242,437
Depreciation for the year	-	78	31,110	15,517	382,144	33,765	7,881	-	470,495
Depreciation on disposals/written-off	-	-	(2,404)	(30)	(12,913)	(5,101)	(562)	-	(21,010)
Translation adjustment	-	-	-	-	(2,352)	(341)	(35)	-	(2,728)
As at 31 December 2018	-	234	249,531	642,352	1,459,277	224,104	113,696	-	2,689,194
<b>Allowance for impairment loss</b>									
As at 1 January 2017	-	-	-	-	9,707	-	-	-	9,707
Additions during the year	-	-	-	-	42,329	1,261	205	-	43,795
Decrease during the year	-	-	-	-	(755)	-	-	-	(755)
Translation adjustment	-	-	-	-	(113)	-	-	-	(113)
As at 31 December 2017	-	-	-	-	51,168	1,261	205	-	52,634
Additions during the year	-	-	-	-	7,475	-	-	-	7,475
Decrease during the year	-	-	-	-	(7,162)	-	-	-	(7,162)
Translation adjustment	-	-	-	-	(2,132)	(67)	(11)	-	(2,210)
As at 31 December 2018	-	-	-	-	49,349	1,194	194	-	50,737

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Land improvement	Building and building improvements	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total
<b>Net book value</b>									
As at 31 December 2017	755,026	1,359	242,221	59,337	1,895,535	99,042	21,986	77,035	3,151,541
As at 31 December 2018	784,631	1,281	323,963	55,430	1,664,627	96,725	15,220	360	2,942,237
<b>Depreciation for the years</b>									
2017 (Baht 329 million included in manufacturing cost and services cost, and the balance in selling and distribution and administrative expenses)									410,740
2018 (Baht 394 million included in manufacturing cost and services cost, and the balance in selling and distribution and administrative expenses)									470,495

(Unit: Thousand Baht)

Separate financial statements

	Building and										Total
	Land	Land improvement	building	improvements	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction		
<b>Cost</b>											
As at 1 January 2017	260,366	516	302,212	617,136	164,397	95,289	46,271	9,329	1,495,516		
Additions	115,239	-	352	3,540	5,876	4,819	6,094	73,470	209,390		
Disposals/written-off	-	-	-	-	(64)	(612)	(508)	-	(1,184)		
Transferred in (out)	-	999	1,315	-	(2)	3,636	-	(5,948)	-		
As at 31 December 2017	375,605	1,515	303,879	620,676	170,207	103,132	51,857	76,851	1,703,722		
Additions	-	-	878	10,461	33,897	7,358	1,012	49,807	103,413		
Disposals/written-off	-	-	-	-	-	(2,657)	-	-	(2,657)		
Transferred in (out)	-	-	112,070	-	-	14,228	-	(126,298)	-		
Transferred from investment properties	35,820	-	-	-	-	-	-	-	35,820		
As at 31 December 2018	411,425	1,515	416,827	631,137	204,104	122,061	52,869	360	1,840,298		
<b>Accumulated depreciation</b>											
As at 1 January 2017	-	114	178,814	557,488	127,343	81,850	45,689	-	991,298		
Depreciation for the year	-	42	13,336	10,970	14,889	5,882	414	-	45,533		
Depreciation on disposals/written-off	-	-	-	-	(61)	(490)	(253)	-	(804)		
As at 31 December 2017	-	156	192,150	568,458	142,171	87,242	45,850	-	1,036,027		
Depreciation for the year	-	76	13,856	11,413	20,434	6,919	1,414	-	54,112		
Depreciation on disposals/written-off	-	-	-	-	-	(2,651)	-	-	(2,651)		
As at 31 December 2018	-	232	206,006	579,871	162,605	91,510	47,264	-	1,087,488		

(Unit: Thousand Baht)

Separate financial statements

	Land	Land improvement	Building and building improvements	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total
<b>Allowance for impairment loss</b>									
As at 1 January 2017	-	-	-	-	3,940	-	-	-	3,940
Additions during the year	-	-	-	-	2,838	-	-	-	2,838
As at 31 December 2017	-	-	-	-	6,778	-	-	-	6,778
Decreases during the year	-	-	-	-	(3,133)	-	-	-	(3,133)
As at 31 December 2018	-	-	-	-	3,645	-	-	-	3,645
<b>Net book value</b>									
As at 31 December 2017	375,605	1,359	111,729	52,218	21,258	15,890	6,007	76,851	660,917
As at 31 December 2018	411,425	1,283	210,821	51,266	37,854	30,551	5,605	360	749,165
<b>Depreciation for the years</b>									
2017 (Baht 23 million included in manufacturing cost and the balance in selling and distribution and administrative expenses)									
2018 (Baht 31 million included in manufacturing cost and services cost, and the balance in selling and distribution and administrative expenses)									
									45,533
									54,112

As at 31 December 2018, allowance for impairment in the consolidated financial statement amounting to Baht 39.6 million (2017: Baht: 40.8 million), represents allowance for impairment of equipment of Mindmap Commtech Inc. (subsidiary), which ceased its operation in the year 2017.

As at 31 December 2018, 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 1,190 million (2017: Baht 1,063 million) (the Company only: Baht 764 million (2017: Baht 741 million)).

As at 31 December 2018, the Company and its subsidiaries had motor vehicles under finance lease agreements with net book value amounting to Baht 2 million (2017: Baht 2 million) (the Company only: Nil (2017: Nil)).

As at 31 December 2018 and 2017, land and building as presented in the consolidated financial statements are the portion of the Company's investment properties that it has leased to its subsidiaries.

#### 14. Intangible assets

The net book value of computer software as at 31 December 2018 and 2017 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 31 December 2018:		
Cost	141,491	61,831
<u>Less: Amortisation</u>	<u>(36,177)</u>	<u>(17,155)</u>
Net book value	<u>105,314</u>	<u>44,676</u>
As at 31 December 2017:		
Cost	93,070	29,200
<u>Less: Amortisation</u>	<u>(25,428)</u>	<u>(14,325)</u>
Net book value	<u>67,642</u>	<u>14,875</u>

A reconciliation of the net book value of computer software for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	67,642	38,326	14,875	7,323
Acquisition	48,421	35,667	32,631	8,995
Amortisation	(10,749)	(6,351)	(2,830)	(1,443)
Net book value at end of year	<u>105,314</u>	<u>67,642</u>	<u>44,676</u>	<u>14,875</u>

#### 15. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated		Separate	
		financial statements		financial statements	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bank overdrafts	Refer to MOR	2,068	-	1,629	-
Short-term loans from banks	2.04 - 2.84	<u>2,994,000</u>	<u>2,251,000</u>	<u>442,500</u>	<u>629,500</u>
Total		<u>2,996,068</u>	<u>2,251,000</u>	<u>1,444,129</u>	<u>629,500</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 28.4 to the financial statements.

#### 16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables - unrelated parties	1,033,911	671,063	140,654	231,018
Trade payables - related parties	15,606	12,243	37,991	182,201
Other payables - unrelated parties	20,845	35,101	6,478	18,485
Other payables - director	1,271	-	1,271	-
Accrued expenses - unrelated parties	275,219	256,455	83,205	48,136
Accrued expenses - director	800	1,230	-	750
Total trade and other payables	<u>1,347,652</u>	<u>976,092</u>	<u>269,599</u>	<u>480,590</u>

17. Long-term loans

Loan	Borrower	Lender	Loan Facility (Million Baht)	Interest rate	Repayment schedule	Consolidated		Separate	
						financial statements 2018	financial statements 2017	financial statements 2018	financial statements 2017
(1)	The Company	Local bank	50	First year: MLR - 2.25% per annum Second year: MLR - 1.25% per annum Third to fifth years: MLR - 1.00% per annum	20 quarterly installments (ending in 2018)	-	12,500	-	12,500
(2)	The Company	Local bank	300	First year: MLR - 2.25% per annum Second year: MLR - 1.25% per annum Third to fifth years: MLR - 1.00% per annum	60 monthly installments (ending 2019)	66,161	127,232	66,161	127,232
(3)	The Company	Local bank	64	Fixed interest rate	36 monthly installments (ending 2019)	10,625	31,875	10,625	31,875
(4)	The Company	Local bank	66	Fixed interest rate	36 monthly installments (ending 2019)	22,629	45,257	22,629	45,257
(5)	The Company	Local bank	126	Fixed interest rate	60 monthly installments (ending 2022)	89,491	110,000	89,491	110,000
(6)	The Company	Local bank	50	Fixed interest rate	30 monthly installments (ending 2021)	43,320	-	43,320	-
(7)	The Company	Local bank	105	Fixed interest rate	60 monthly installments (ending 2023)	102,900	-	102,900	-
(8)	Electronics Source Co., Ltd.	Local bank	8	Refer to MLR	60 monthly installments (ending 2021)	-	5,625	-	-

Loan	Borrower	Lender	Loan		Interest rate	Repayment schedule	Consolidated		Separate	
			Facility	(Million Baht)			financial statements	2018	2017	financial statements
(9)	Forth Smart Service Plc.	Local bank	100		Fixed interest rate	36 monthly installments (ending in 2019)	8,333	41,666	-	-
(10)	Forth Smart Service Plc.	Local bank	200		Fixed interest rate	36 monthly installments (ending in 2019)	30,542	97,214	-	-
(11)	Forth Smart Service Plc.	Local bank	200		Refer to 1M THBFX + a margin as stipulated in the agreement	36 monthly installments (ending in 2019)	63,889	130,556	-	-
(12)	Forth Smart Service Plc.	Local bank	200		Fixed interest rate	36 monthly installments (ending in 2020)	100,000	166,667	-	-
(13)	Forth Smart Service Plc.	Local bank	200		Refer to 1M THBFX + a margin as stipulated in the agreement	36 monthly installments (ending in 2020)	119,445	186,111	-	-
(14)	Forth Smart Service Plc.	Local bank	200		Fixed interest rate	36 monthly installments (ending in 2020)	116,600	183,320	-	-
(15)	Forth Smart Service Plc.	Local bank	200		Fixed interest rate	33 monthly installments (ending in 2020)	146,000	-	-	-
	Total						919,935	1,138,023	335,126	326,864
	Less: Current portion of long-term loans						(545,728)	(580,544)	(165,355)	(148,569)
	Long-term loans - net of current portion						374,207	557,479	169,771	178,295



- 17.1 In November 2017, the Company entered into a long-term loan agreement with a local bank, granting a facility of Baht 50 million which fully drawn down in the current year. The loan carries interest at fixed rate per annum and repayment is to be made in no more than 3 years. There is a six-month grace period for principal repayment, following which principal is repayable monthly, for 30 months (Ending in 2021).
- 17.2 In December 2017, Forth Smart Service Public Company Limited (subsidiary) entered into an agreement with a local bank to obtain a long-term loan facility of Baht 200 million which fully drawn down in the first quarter of 2018. Interest is charged at fixed rate per annum. The loan is to be repaid in monthly installments over 33 months (Ending in 2020).
- 17.3 In September 2018, the Company entered into an agreement with a local bank to obtain a long-term loan facility of Baht 105 million. In the third quarter of 2018, the Company drawn down amounting to Baht 103 million. The loan carries interest at fixed rate per annum and repayment is to be made in no more than 5 years. The loan is to be repaid in monthly installments over 60 months (Ending in 2023).
- 17.4 In 2016 and 2017, Forth Smart Service Public Company Limited (subsidiary) entered into interest rate swap agreements of the loans agreements No.11 and 13 amounting to Baht 400 million to swap fixed interest rates as stipulated in the agreements in order to hedge the interest rate risk.

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.

According to the conditions stipulated in the loan agreements, the subsidiary has 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.

## 18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	60,815	49,954	24,293	19,669
Included in profit or loss:				
Current service cost	11,080	9,387	4,727	3,924
Interest cost	2,545	2,103	1,030	840
Included in other comprehensive income:				
Actuarial loss arising from				
demographic assumptions changes	24,190	-	7,833	-
Financial assumptions changes	(643)	-	701	-
Experience adjustments	(11,586)	-	(3,373)	-
Benefits paid during the year	-	(629)	-	(140)
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	<u>86,401</u>	<u>60,815</u>	<u>35,211</u>	<u>24,293</u>

The Company and its subsidiaries expect to pay Baht 1.7 million of long-term employee benefits during the next year (2017: Nil).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 13 - 23 years (the Company only: 23 years) (2017: 20 - 26 years, the Company only: 23 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.6 - 3.5	3.5 - 4.8	3.5	3.6
Salary increase rate	4.2 - 7.5	1.5 - 11.8	6.8	6.7
Turnover rate	0.0 - 31.1	2.4 - 55.6	0.0 - 31.1	6.6 - 31.5

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(10,176)	12,333	(3,446)	4,044
Salary increase rate	11,913	(10,058)	3,872	(3,379)
	<u>Increase 10%</u>	<u>Decrease 10%</u>	<u>Increase 10%</u>	<u>Decrease 10%</u>
Turnover rate	(3,841)	4,427	(3,390)	3,908

(Unit: Thousand Baht)

	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(6,452)	7,649	(2,522)	2,970
Salary increase rate	7,979	(6,852)	3,102	(2,680)
	<u>Increase 10%</u>	<u>Decrease 10%</u>	<u>Increase 10%</u>	<u>Decrease 10%</u>
Turnover rate	(5,121)	5,926	(3,056)	3,615

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 25.3 million (The Company only: Baht 11.5 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the profit or loss of the period in which the law is effective.

## 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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries and wages and other employee benefits	728,559	751,932	390,443	402,251
Depreciation and amortisation	482,691	418,432	60,481	50,125
Raw materials and consumables used	1,488,333	2,127,649	552,689	1,782,310
Changes in finished goods and work in progress	26,354	(21,115)	76,009	88,199
Service expense for data transferring system	101,173	83,260	-	-
Bank fee from money transfer service	137,795	78,223	-	-
Repair and maintenance cost of top-up machines	46,553	52,504	-	-

## 21. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Current income tax charge	121,356	112,342	18,003	26,887
Adjustment in respect of current income tax of previous year	388	(2,170)	28	(142)
Write-off withholding tax deducted at source	-	350	-	20
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	12,438	(49,559)	(10,308)	(6,424)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>134,182</b>	<b>60,963</b>	<b>7,723</b>	<b>20,341</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial losses	2,301	-	1,032	-

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit before tax	953,988	620,996	309,357	413,940
Applicable tax rate (%)	20	20	20	20
Accounting profit before tax multiplied by applicable tax rate	190,798	124,199	61,871	82,788
Adjustment in respect of current income tax of previous year	388	(2,170)	28	(142)
Write-off withholding tax deducted at source	-	350	-	20
Deferred tax assets which were not recognised during the year	(226)	1,589	2,194	25,028
Deferred tax which was not recognised in previous year but utilised during current year	(11,601)	-	-	-
Effects of:				
Promotional privileges (Note 22)	(2,555)	(48,281)	(2,555)	(48,281)
Non-deductible expenses	7,883	17,647	4,014	1,809
Additional expense deductions allowed	(57,861)	(57,158)	(681)	(681)
Tax-exempted revenue	-	-	(58,466)	(41,293)
Revenue treated as revenues under the Revenue Code	1,318	1,536	1,318	1,536
Unused tax losses of current year	6,038	22,762	-	-
Others	-	489	-	(443)
Total	(45,177)	(63,005)	(56,370)	(87,353)
Income tax expenses reported in the statement of comprehensive income	134,182	60,963	7,723	20,341

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	4,040	3,780	689	461
Allowance for diminution in value of inventories	71,585	60,425	49,712	41,586
Allowance for asset impairment	2,328	2,224	729	1,356
Unrealised profit from inter-sales transactions	174,352	201,364	-	-
Provision for long-term employee benefits	16,792	11,843	7,042	4,859
Provisions	4,819	3,389	4,819	3,389
Unused tax losses	-	1,028	-	-
<b>Total</b>	<u>273,916</u>	<u>284,053</u>	<u>62,991</u>	<u>51,651</u>

As at 31 December 2018, the subsidiaries have unused tax losses totaling Baht 98 million (2017: Baht 82 million) (the Company only: Nil (2017: Nil)), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses. Such unused tax losses will expire by 2023.

## 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. 1231(4)/2558. 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 (November 2014) and an exemption from import duty on imported raw materials and supplies used in production for export.

In addition, the Company has received various tax privileges from the Board of Investment pursuant to the investment promotion certificates No. 60-0766-1-04-01-0. Subject to certain imposed conditions, the privileges include an income tax exemption on total profit derived from the promoted operations not over than 50% of capital value for improving efficiency production for a period of 3 years from the date the promoted operations begin generating revenues. However, as at 31 December 2018, the Company has not generated revenues from promoted operation.

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. 1699(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 from the date the promoted operations begin generating revenues. However, as at 31 December 2018, the subsidiary has not generated revenues from promoted operation.

Another 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. 58-2258-0-00-2-0. 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 (January 2015).

The Company's operating revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Sales	11,117	26,823	2,956,011	2,707,735	2,967,128	2,734,558
Services	42,708	-	4,048,050	3,516,025	4,090,758	3,516,025
Revenues from project work	-	-	757,074	699,643	757,074	699,643
Other income	30	-	265,079	214,773	265,109	214,773
Total revenues	<u>53,855</u>	<u>26,823</u>	<u>8,026,214</u>	<u>7,138,176</u>	<u>8,080,069</u>	<u>7,164,999</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Sales	43,114	1,063,988	1,018,545	1,719,718	1,061,659	2,783,706
Services	42,708	-	320,875	178,353	363,583	178,353
Revenues from project work	-	-	621,740	220,284	621,740	220,284
Other income	30	-	343,374	246,143	343,404	246,143
Total revenues	<u>85,852</u>	<u>1,063,988</u>	<u>2,304,534</u>	<u>2,364,498</u>	<u>2,390,386</u>	<u>3,428,486</u>

### 23. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the year (Thousand Baht)	526,148	271,538	301,634	393,599
Weighted average number of ordinary shares (Thousand shares)	960,000	960,000	960,000	960,000
Earnings per share (Baht per share)	0.55	0.28	0.31	0.41

### 24. Segment information

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

- 1) Electronics manufacturing service business is a business segment which designs, manufactures of consigns and turnkey projects, and sales of semiconductor electronic parts which is raw material to produce print circuit boards.
- 2) Telecommunication business is a business segment which designs the network to serve both Narrowband (voice related services) and Broadband (Internet related services) through both copper wire and optical fiber cable network, including sales of telecommunication exchange equipment, equipment for the Multi Service Access Node (MSAN), WDM Access Switch, and Call Center system.
- 3) 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 oversea value added top-up or online payment through kiosk system.

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

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



The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017 were as follow:

(Unit: Million Baht)

	Electronics manufacturing service business <sup>1)</sup>		Telecommunication business <sup>2)</sup>		Related technology business <sup>3)</sup>		Retail business <sup>4)</sup>		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenues</b>												
Revenues from external customers	1,658	2,300	818	483	1,858	913	3,481	3,254	-	-	7,815	6,950
Inter-segment revenues	202	481	89	1,109	348	124	15	5	(654)	(1,719)	-	-
<b>Total revenues</b>	<b>1,860</b>	<b>2,781</b>	<b>907</b>	<b>1,592</b>	<b>2,206</b>	<b>1,037</b>	<b>3,496</b>	<b>3,259</b>	<b>(654)</b>	<b>(1,719)</b>	<b>7,815</b>	<b>6,950</b>
<b>Segment operating profit</b>	<b>362</b>	<b>429</b>	<b>74</b>	<b>133</b>	<b>483</b>	<b>145</b>	<b>850</b>	<b>923</b>	<b>-</b>	<b>-</b>	<b>1,769</b>	<b>1,630</b>
<b>Unallocated income (expenses):</b>												
Other income											265	215
Selling and distribution expenses											(108)	(139)
Administrative expenses											(853)	(927)
Loss on impairment loss on equipment (reversal)											3	(43)
Share of profit from investments in associates											6	9
Finance cost											(128)	(124)
Income tax expenses											(134)	(61)
Profit for non-controlling interests of the subsidiaries											(294)	(288)
<b>Profit for the years attributable to equity holders of the Company</b>											<b>526</b>	<b>272</b>

Segment assets of the Company and its subsidiaries as at 31 December 2018 and 2017 were as follows:

(Unit: Million Baht)

	Electronics manufacturing service business <sup>1)</sup>		Related technology business <sup>3)</sup>		Retail business <sup>4)</sup>		Unallocated assets		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Property, plant and equipment	69	74	57	59	2,552	2,972	749	661	(485)	(614)	2,942	3,152
Other assets	710	826	1,932	998	1,947	1,790	3,145	2,834	(1,805)	(1,451)	5,959	4,997
<b>Total assets</b>	<b>779</b>	<b>900</b>	<b>1,989</b>	<b>1,057</b>	<b>4,499</b>	<b>4,762</b>	<b>3,894</b>	<b>3,495</b>	<b>(2,290)</b>	<b>(2,065)</b>	<b>8,871</b>	<b>8,149</b>

### Geographic information

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

### Major customers

For the year 2018, the Company and its subsidiaries have revenue from one major customer in amount of Baht 1,262 million arising from sales by related technology business segment. (2017: The Company have revenue from one major customer in amount of Baht 1,008 million arising from sales by electronics manufacturing service business segment.)

## 25. Provident fund

The Company, its subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contribute to the fund monthly at a rate of 3% of basic salary. The funds, which are managed by Bangkok Capital Asset Management Company Limited, TISCO Asset Management Company Limited, and American International Assurance Company Limited will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 8 million (2017: Baht 8 million) (the Company only: Baht 5 million (2017: Baht 5 million)) were recognised as expenses.

## 26. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
Dividends for 2017	2018 Annual General Meeting of the shareholders on 23 April 2018	240	0.25
Interim dividend paid from retained earnings and profit for the six-month period ended 30 June 2018	The Board of Directors' Meeting on 10 August 2018	240	0.25
<b>Total for 2018</b>		<b>480</b>	<b>0.50</b>
Final dividends for 2016	2017 Annual General Meeting of the shareholders on 7 April 2017	163	0.17
Interim dividend paid from profit for the six-month period ended 30 June 2017	The Board of Directors' Meeting on 11 August 2017	163	0.17
<b>Total for 2017</b>		<b>326</b>	<b>0.34</b>

## 27. Treasury shares of the subsidiary

On 30 March 2018, the Board of Director's Meeting of Forth Smart Service Public Company Limited (subsidiary), approved a share repurchase program for financial management propose with a budget of up to Baht 300 million, to repurchase no more than 20,000,000 shares (par value of Baht 0.5 each), which accounts for not more than 2.5 percent of the total number of shares in issue. The shares are to be repurchased on the Stock Exchange of Thailand from 18 April 2018 to 17 October 2018. The share resale period is determined after 6 months from the completion date of share repurchase but no later than 3 years.

During of the current year, the subsidiary has purchased back 20,000,000 ordinary shares (par value of Baht 0.5 each), or 2.5 percent of total number of shares in issue, a total of Baht 187 million as a result, the subsidiary has fully purchased its treasury shares which was approved by the Board of Directors' Meeting of the subsidiary. In addition, the subsidiary has already appropriated the required amount of retained earnings to a reserve for the treasury shares amounting to Baht 187 million.

As a result of the purchase additional shares as discussed above, the Company's shareholding and non-controlling interest in the subsidiary changed. To reflect the changes in their relative interests in the subsidiary, the Company adjusted the carrying amount of the changes in controlling interests amounting to Baht 155 million in the shareholders' equity under the caption of "Capital surplus (deficit) from changes in shareholding in subsidiaries" in the consolidated financial statements.

## 28. Commitments and contingent liabilities

### 28.1 Capital commitments

As at 31 December 2018, a subsidiary had capital commitments relating to the acquisition of equipment and improvement of office buildings of Baht 2 million (2017: Baht 14 million)

### 28.2 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, office building space and motor vehicles. The terms of the agreements are generally between 1 and 20 years.

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

	(Unit: Million Baht)	
	As at 31 December	
Payable within:	<u>2018</u>	<u>2017</u>
In up to 1 year	14	16
In over 1 and up to 5 years	29	35
In over 5 years	65	70

- 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:

	(Unit: Million Baht)	
	As at 31 December	
Payable within:	<u>2018</u>	<u>2017</u>
In up to 1 year	6	5
In over 1 and up to 5 years	12	17

### 28.3 Other commitments

As at 31 December 2018, the Company had commitments amounting to Baht 50 million, USD 1 million and JPY 2 million in relation to the agreements to purchase of goods (2017: Baht 230 million USD 1 million and JPY 15 million).

### 28.4 Guarantees

- a) The Company has guaranteed loan and credit facilities of its subsidiaries amounting to Baht 1,209 million (2017: Baht 1,160 million).
- b) As at 31 December 2018, there were outstanding bank guarantees amounting to approximately Baht 771 million (2017: Baht 811 million) issued by banks on behalf of the Company and its subsidiaries, of which Baht 351 million (2017: Baht 488 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.

## 29. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2018			2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets for which fair value are disclosed</b>						
Investment properties	-	-	105	-	-	-

(Unit: Million Baht)

	Separate financial statements					
	2018			2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets for which fair value are disclosed</b>						
Investment properties	-	-	546	-	-	448

## 30. Financial instruments

### 30.1 Financial risk management

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

As at 31 December 2018 and 2017, 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.

(Unit: Million Baht)

	Consolidated financial statements						Interest rate (% per annum)
	As at 31 December 2018						
	Fixed interest rates			Floating	Non-interest	Total	
Within 1 year	1-5 years	Over 5 years	interest rate	bearing			
<b>Financial assets</b>							
Cash and cash equivalents	2	-	-	581	113	696	0.10 - 1.85
Trade and other receivables	-	-	-	-	2,632	2,632	-
Unbilled receivables	-	-	-	-	691	691	-
Restricted bank deposits	10	-	-	-	-	10	0.38 - 0.63
	12	-	-	581	3,436	4,029	
<b>Financial liabilities</b>							
Bank overdrafts and short-term loans from banks	2,994	-	-	2	-	2,996	2.04 - 2.52, refer MOR
Trade and other payables	-	-	-	-	1,348	1,348	-
Long-term loans	458	293	-	169	-	920	3.80 - 4.00, refer MLR
	3,452	293	-	171	1,348	5,264	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2017

	Fixed interest rates			Floating		Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	interest rate	Non-interest bearing		
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	805	194	999	0.10 - 1.50
Trade and other receivables	-	-	-	-	1,468	1,468	-
Unbilled receivables	-	-	-	-	529	529	-
	-	-	-	805	2,191	2,996	
<b>Financial liabilities</b>							
Bank overdrafts and short-term loans from banks	2,251	-	-	-	-	2,251	2.00 - 2.80
Trade and other payables	-	-	-	-	976	976	-
Long-term loans	501	492	-	145	-	1,138	3.80 - 4.00, Refer to MLR
	2,752	492	-	145	976	4,365	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2018

	Fixed interest rates			Floating		Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	interest rate	Non-interest bearing		
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	232	-	232	0.10 - 0.85
Trade and other receivables	-	-	-	-	721	721	-
Short-term loans to related parties	46	-	-	-	-	46	3.00 - 5.00
Unbilled receivables	-	-	-	-	219	219	-
	46	-	-	232	940	1,218	
<b>Financial liabilities</b>							
Bank overdrafts and short-term loans from banks	1,442	-	-	2	-	1,444	2.04 - 2.84, refer MOR
Trade and other payables	-	-	-	-	270	270	-
Long-term loans	78	88	-	169	-	335	3.80 - 4.00, refer MLR
	1,520	88	-	171	270	2,049	



(Unit: Million Baht)

Separate financial statements							
As at 31 December 2017							
Fixed interest rates			Floating				
Within 1 year	1-5 years	Over 5 years	interest rate	Non-interest bearing	Total	Interest rate (% per annum)	
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	450	-	450	0.10 - 0.85
Trade and other receivables	-	-	-	-	444	444	-
Short-term loans to related parties	41	-	-	-	-	41	4.00 - 5.00
Unbilled receivables	-	-	-	-	89	89	-
	41	-	-	450	533	1,024	
<b>Financial liabilities</b>							
Bank overdrafts and short-term loans from banks	630	-	-	-	-	630	2.00 - 2.30
Trade and other payables	-	-	-	-	481	481	-
Long-term loans	70	117	-	140	-	327	4.00, refer to MLR
	700	117	-	140	481	1,438	

### 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.

As at 31 December 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2018 (Million)	2017 (Million)	2018 (Million)	2017 (Million)	2018 (Baht per 1 foreign currency unit)	2017
US dollar	5.6	17.0	1.8	4.8	33.3172	32.6809
Japanese yen	-	-	2.8	0.4	0.2999	0.2898
Vietnamese dong	1.2	0.8	-	-	0.0014	0.0014

Foreign exchange contracts outstanding of a subsidiary as at 31 December 2018 and 2017 are summarised below:

2018			
Foreign currency	Bought amount	Contractual exchange rate of bought amount	Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.5	32.55 - 32.61	April 2019

2017			
Foreign currency	Bought amount	Contractual exchange rate of bought amount	Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.3	32.59 - 32.79	February 2018

### 30.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives

### 31. 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 2018, the Group's debt-to-equity ratio was 2.5:1 (2017: 2.0:1) and the Company's was 1.2:1 (2017: 0.8:1).

### 32. Event after the reporting period

- 32.1 On 4 February 2019, Forth Smart Trading Company Limited, a subsidiary of Forth Smart Service Public Company Limited called up remaining 62.5 percent of the par value of the increase of its share capital of Baht 125 million, and Forth Smart Service Public Company Limited will pay such amount within February 2019.
- 32.2 On 6 February 2019, a Board of Directors' meeting of Forth Tracking System Company Limited, one of the associates, passed a resolution to approve an interim dividend payment paid from unappropriated retained earnings as at 31 December 2018 and profit for the year 2018 of Baht 67 per share, a total of Baht 20.1 million. The dividend is scheduled be paid on 7 February 2019.
- 32.3 On 14 February 2019, a Board of Director's meeting of Forth Smart Service Plc., one of subsidiaries, passed a resolution to propose its Annual General Meeting of Shareholders approve a dividend payment at Baht 0.62 per share from the 2018 operating results. In this regard, the subsidiary already paid an interim dividend at Baht 0.30 per share, totaling Baht 234 million, during the year 2018 to the shareholders, therefore the remaining dividend payable will be Baht 0.32 per share, or totaling Baht 250 million.
- 32.4 On 22 February 2019, the Company's Board of Directors' meeting passed a resolution to propose the Annual General Meeting of shareholders approve a dividend payment at Baht 0.55 per share from the 2018 operating results and the retained earnings. In this regard, the Company paid an interim dividend at Baht 0.25 per share, totaling Baht 240 million, during the year 2018 to the shareholders, therefore, the remaining dividend payable will be Baht 0.30 per share, or totaling Baht 288 million.

### 33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2019.

## Management Discussion and Analysis of Financial Position and Operating Results

### Overall operating performance of the Group

Unit: Million Baht

	2018	2017	Increase (decrease)	Variance (%)
Total revenues	8,080	7,165	915	13%
Net profit	526	272	254	93%

The Group has total revenues of Baht 8,080 million for 2018, which is increased by Baht 915 million or 13% compared to the total revenues of Baht 7,165 million for 2017. The increase results from higher revenue from related technology business and lower revenue from EMS business.

In 2018, the Group has net profit of Baht 526 million, which is increased by Baht 254 million or 93% compared to the net profit of Baht 272 million for 2017. It is due to higher gross profit from related technology business, and lower selling and administrative expenses, resulting in an overall increase in the Group's net profit.

### Analysis of revenues

	2018		2017		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues from main business</b>						
EMS business	1,658	21%	2,300	32%	(642)	(28%)
Telecommunication business	818	10%	483	7%	335	69%
Related technology business	1,858	23%	913	13%	945	104%
Retail business	3,481	43%	3,254	45%	227	7%
<b>Total revenues from main business</b>	<b>7,815</b>	<b>97%</b>	<b>6,950</b>	<b>97%</b>	<b>865</b>	<b>12%</b>
Other income	265	3%	215	3%	50	23%
<b>Total revenues</b>	<b>8,080</b>	<b>100%</b>	<b>7,165</b>	<b>100%</b>	<b>915</b>	<b>13%</b>

#### EMS business

In 2018, the Group generates revenue of Baht 1,658 million from EMS business, which is decreased by Baht 642 million or 28% compared to the revenue of Baht 2,300 million for 2017. It is mainly due to lower orders from a major customer of the manufacture and assembly of electronic circuit boards business unit.

#### Telecommunication business

In 2018, the Group generates revenue of Baht 818 million from telecommunication business, which is increased by Baht 335 million or 69% compared to the revenue of Baht 483 million for 2017. It results from the increase in revenue from the design and installation of telecommunication network and signal equipment.

### Related technology business

In 2018, the Group generates revenue of Baht 1,858 million from related technology business, which is increased by Baht 945 million or 104% compared to the revenue of Baht 913 million for 2017. It results from revenue from sale of smart patrol cars and camcorder cameras installed on the police stations.

### Retail business

In 2018, the Group generates revenue of Baht 3,481 million from retail business, which is increased by Baht 227 million or 7% compared to the revenue of Baht 3,254 million for 2017. The Group has the top-up value via "Boonterm Kiosk" for 2018 of Baht 41,980 million, which is increased by Baht 5,806 million or 16% compared to the top-up value of Baht 36,174 million for 2017. As at 31 December 2018, the Group has 130,053 top-up kiosks across Thailand.

### Gross Profit and Gross Profit Margin

	2018		2017		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
EMS business	362	22%	429	19%	(67)	(16%)
Telecommunication business	74	9%	133	28%	(59)	(44%)
Related technology business	483	26%	145	16%	338	233%
Retail business	850	24%	923	28%	(73)	(8%)
<b>Gross Profit</b>	<b>1,769</b>	<b>23%</b>	<b>1,630</b>	<b>23%</b>	<b>139</b>	<b>8%</b>

### EMS business

In 2018, the Group has gross profit of Baht 362 million, which is decreased by Baht 67 million or 16% compared to the gross profit of Baht 429 million for 2017. It results from lower gross profit of a major customer of the manufacture and assembly of electronic circuit boards business unit. Gross profit margin for 2018 is 22%, which is slightly increased compared to the gross profit margin for 2017.

### Telecommunication business

In 2018, the Group has gross profit of Baht 74 million, which is decreased by Baht 59 million or 44% compared to the gross profit of Baht 133 million for 2017. Gross profit margin for 2018 is decreased from 28% to 9%. It is mainly due to lower gross profit margin of the design and installation of telecommunication network and signal equipment project work and the increase of reduction of cost of inventories to net realizable value.

### Related technology business

In 2018, the Group has gross profit of Baht 483 million, which is increased by Baht 338 million or 233% compared to the gross profit of Baht 145 million for 2017. Gross profit margin for 2018 is increased from 16% to 26%. It is due to gross profit from sale of smart patrol cars and camcorder cameras installed on the police stations.

### Retail business

In 2018, the Company has gross profit of Baht 850 million, which is decreased by Baht 73 million or 8% compared to the gross profit of Baht 923 million for 2017. Gross profit margin for 2018 is decreased from 28% to 24%. It is due to higher depreciation expense of top-up kiosks.

### Expenses and expenses to revenues from main business

	2018		2017		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	108	1%	139	2%	(31)	(22%)
Administrative expenses	853	11%	927	13%	(74)	(8%)
Finance cost	128	2%	124	2%	4	3%
Income tax expenses	134	2%	61	1%	73	120%

### Selling expenses

In 2018, the Group has the selling expenses of Baht 108 million, which is decreased by Baht 31 million or 22% compared to those of prior year. It is due to the decrease in commission fees paid to sale agent for selling set-top box and sale promotion expenses of Forth Smart Service Public Company Limited.

### Administrative expenses

In 2018, the Group has the administrative expenses of Baht 853 million, which is decreased by Baht 74 million or 8% compared to those of prior year. It is due to the cessation of a subsidiary in the Philippines during 2017 and the control of operating expenses to be more efficient.

### Finance cost

In 2018, the Group has the finance cost of Baht 128 million and the finance cost to revenue from main business ratio is 2%. There is no significant change compared to those of the prior year.

### Income tax expenses

In 2018, the Group has the income tax expenses of Baht 134 million, which is increased by Baht 73 million or 120% compared to those of prior year. It is in line with the increased profit.

## Financial position

### Assets

Unit: Million Baht

	31 December 2018	31 December 2017	Increase (decrease)	% Variance
Current assets	5,310	4,491	819	18%
Non-current assets	3,560	3,658	(98)	(3%)
<b>Total assets</b>	<b>8,870</b>	<b>8,149</b>	<b>721</b>	<b>9%</b>

As at 31 December 2018, the Group's total assets are Baht 8,870 million, increased by Baht 721 million or 9% compared to the total assets as at 31 December 2017 of Baht 8,149 million. It results from the increase of trade and other receivables and unbilled receivables.

### The quality of assets

#### Trade account receivables

Unit: Million Baht

	Consolidated financial statements	
	31 December 2018	31 December 2017
Trade account receivables - unrelated parties	2,452	1,352
Less: Allowance for doubtful accounts	(52)	(51)
<b>Trade account receivables - net</b>	<b>2,400</b>	<b>1,301</b>

As at 31 December 2018 and 2017, the Group has the allowance for doubtful accounts, amounting to Baht 52 million and Baht 51 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 believes that allowance for doubtful accounts is adequate in the current circumstances.

### Inventories

Unit: Million Baht

	Consolidated financial statements	
	31 December 2018	31 December 2017
Inventories	1,335	1,413
Reduce cost to net realisable value	(367)	(309)
<b>Inventories - net</b>	<b>968</b>	<b>1,104</b>

As at 31 December 2018 and 2017, the Group has the reduction of cost to net realisable value amounting to Baht 367 million and Baht 309 million, respectively. The Group estimates 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 believes that the reduce cost to net realisable value is adequate in the current circumstances.

**Source of fund**

Unit: Million Baht

	31 December 2018	31 December 2017	Increase (decrease)	% Variance
Current liabilities	5,903	4,810	1,093	23%
Non-current liabilities	461	619	(158)	(26%)
<b>Total liabilities</b>	<b>6,364</b>	<b>5,429</b>	<b>935</b>	<b>17%</b>
<b>Total Shareholders' equity</b>	<b>2,506</b>	<b>2,720</b>	<b>(214)</b>	<b>(8%)</b>

**Liabilities**

As at 31 December 2018, the Group's total liabilities are Baht 6,364 million, increased by Baht 935 million or 17% compared to the total liabilities as at 31 December 2017 of Baht 5,429 million. It results from the increase of short-term loans and trade and other payables.

**Shareholders' equity**

As of 31 December 2018, the Group's shareholders' equity is Baht 2,506 million, decreased by Baht 214 million or 8% compared to the total shareholders' equity as at 31 December 2017 of Baht 2,720 million. It is mainly due to an acquisition of ordinary shares of the subsidiary from non-controlling interests of the subsidiary, treasury shares of the subsidiary and payment of dividends to the Company's shareholders and the non-controlling interests of the subsidiary.

**The appropriate of capital structure**

The Group's debt to equity ratio as at 31 December 2018 is 2.5:1, which is increased from the ratio as at 31 December 2017 at rate of 2.0:1. It results from the increase of short-term loans and long-term loans.



Liquidity

Cash flows

Unit: Million Baht

	2018	2017
Cash flows from (used in) operating activities	608	1,201
Cash flows from (used in) investing activities	(529)	(1,120)
Cash flows from (used in) financing activities	(381)	492

Cash flows from operating activities for 2018 are Baht 608 million, decreased by Baht 593 million. It is due to the increased working capital i.e. trade and other receivables, unbilled receivables, trade and other payables etc.

Cash flows used in investing activities for 2018 are Baht 529 million, decreased by Baht 591 million. It is due to the lower acquisition of top-up kiosks of the subsidiary.

Cash flows used in financing activities for 2018 are Baht 381 million, increased by Baht 873 million. It is caused by treasury shares of the subsidiary, repayment of long-term loans and payment of dividends to the Company's shareholders and the non-controlling interests of the subsidiary.

Liquidity ratios

Current assets ratio to current liabilities as at 31 December 2018 is 0.9:1 which is equal to the ratio as at 31 December 2017.

## 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 per value)
Nature of Business	: <ul style="list-style-type: none"><li>• Manufacturing and distribution of telecommunication and electronic equipment under trademark “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 development and implementation of Enterprise Resource Planning system</li><li>• The online top-up service and the 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, Phayathai, Phayathai, Bangkok, 10400
Branch address	: <u>Branch No. 1</u> 66/350 Moo 12 Raikhing, Sampran, Nakornprathom, 73210 <u>Branch No. 2</u> 77 Moo 11 Phuttamonton 5th Road, Raikhing, Sampran, Nakornprathom, 73210 <u>Branch No. 3</u> 66/18 Moo 12 Raikhing, Sampran, Nakornprathom, 73210 <u>Branch No. 4</u> 282, 284 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400 <u>Branch No. 5</u> 256 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400 <u>Branch No. 6</u> 79/2 Moo 10 Raikhing, Sampran, Nakornprathom, 73210
Website	: <a href="http://www.forth.co.th">www.forth.co.th</a>
Telephone	: 0-2615-6700, 0-2271-2888
Facsimile	: 0-2615-0615, 0-2279-4888
References	
Securities Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. 0-2009-9000 Fax. 0-2009-9000
Auditors	: 1. Ms. Waraporn Prapasirikul CPA (Thailand) No. 4579 and/or 2. Mr. Narong Puntawong CPA (Thailand) No. 3315 and/or 3. Ms. Sirirat Sricharoensup CPA (Thailand) No. 5419 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 information of the Company, please refer to the Annual filling (Form 56-1) at [www.sec.or.th](http://www.sec.or.th) or the Company's website



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