

Ref. AC.021/2019

18 July 2019

Subject: Business Reorganization by way of Partial Business Transfer and Holding of the Extraordinary General Meeting of Shareholders No. 1/2019

To: President and Manager
The Stock Exchange of Thailand

Enclosures: Information Memorandum on Business Reorganization Plan

Reference is made to the Board of Directors' Meeting No. 4/2019 of Forth Corporation Public Company Limited ("the Company") held on 17 July 2019 which resolved to approve the business reorganization by way of partial business transfer and holding of the Extraordinary General Meeting of Shareholders No. 1/2019 as per the following details:

1. That the business reorganization in order to achieve the Company's strategy to build up the sustainable business with continuous growth and facilitate the business expansion by way of partial transfer of its business i.e. EMS business including the relevant assets and liabilities which are used in and incurred as a result of its business operation and the relevant personnel, to Forth EMS Company Limited ("Forth EMS"), which is the Company's newly incorporated subsidiary (the Company will hold 99.99 percent of the total registered capital in Forth EMS), be approved. The value of such partial business transfer will equal to book value or adjusted book value or fair value, depending on types of assets and liabilities of transferred business as at the date of business transfer. The value of the transferred business will depend on the timing of the occurrence of business transfer. After the partial business transfer, the Company will maintain its listing status in the Stock Exchange of Thailand. The details of business reorganization are set out in the information memorandum of Enclosure.

In addition, the executive committee or the authorized person of executive committee will be authorized and assigned to carry out all acts and things which relate or are necessary to such business reorganization by way of partial business transfer to Forth EMS, which include (but not limited to) determination of sale price of partial business transfer and the amount of Forth EMS's registered capital in order to be consistent with the value of the transferred business (as per the requirements relating to the partial business transfer), preparation of and entry into an agreement partial business transfer or applications or

documents which relate to such business reorganization and are required to submit to the relevant authorities.

The Company's business reorganization by way of partial transfer of business to Forth EMS is not considered as disposition transaction of assets of listed company as per the notification of the Capital Market Supervisory Board No. ThorJor. 20/2551 regarding criteria in doing material transaction which is considered as acquiring or disposing assets dated 31 August 2551 and its amendments and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure and Compliance by Listed Companies relating to Acquisition or Disposal of Assets B.E. 2547 dated 29 October 2547. However, the partial business transfer is considered as partial transfer of significant business under Section 107 (2) (a) of the Public Companies Act B.E. 2535 and required shareholders' approval for the reorganization by votes not less than three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote.

2. That the holding of the Extraordinary General Meeting of Shareholders No. 1/2019 on 23 August 2019 at 2:00 p.m. at the meeting room, 7th Floor, the Head Office Building of Forth Smart Service Public Company Limited, 256, Phaholyothin Road, Samsennai, Phayathai, Bangkok with the following agenda:

Agenda item no. 1 To certify the minutes of the Annual General Meeting of Shareholders for the year 2019

Agenda item no. 2 To consider and approve the business reorganization

Agenda item no. 3 Other business (if any)

3. That the record date which is used to determine the shareholders' names who can attend the Extraordinary General Meeting of Shareholders No. 1/2019, be fixed on 2 August 2019.

Please be informed accordingly.

Yours faithfully,

(Mr. Arin Jamnaree)

Company Secretary

(Translation)

Business Restructuring Plan

Forth Corporation Public Company Limited

By the resolution of the Board of Directors' Meeting of Forth Corporation Public Company Limited ("the Company" or "FORTH") No. 4/2019, held on 17 July 2019, the Company approved the Business Restructuring Plan by Partial Business Transfer (PBT) to Forth EMS Company Limited, a subsidiary that FORTH held 99.99 percent of shares, and will propose to the shareholders meeting for approval. The details of the Business Restructuring Plan are as follows:

1. The Business Restructuring by Partial Business Transfer (PBT)

Under the Business Restructuring Plan, the Company shall transfer partial business of the Company (PBT), which are EMS business and Assets and Liabilities and all staffs and employees related to that business ("Business Transfer") to Forth EMS Company Limited, a newly incorporated subsidiary for business transfer purpose that FORTH held 99.99 percent of total shares. The Partial Business Transfer shall be done in compliance with the Royal Decree No. 516 B.E. 2554, concerning tax exemption and Notification of the Director-General of Revenue Department re: Rules, Procedures and Conditions for the Partial Business Transfer of Public Limited Company or Limited Company for the purpose of tax exemption (PBT) and other relevant notifications (Collectively as "PBT Conditions").

This Business Transfer is the Company's business restructuring, therefore it has no significant impact to total assets of the Company. This transaction does not consider as an asset acquisition transaction of listed company under the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 regarding Rules for Entering into Substantial Transactions within the Definition of an Acquisition or Disposal of Assets dated 31 August B.E. 2551 (and its amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure and Compliance by Listed Companies relating to Acquisition or Disposal of Assets B.E. 2547 dates 29 October B.E. 2547 (and its amendments) and also does not be followed a related party transaction of listed company under the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 regarding Connected Transactions Rules dated 31 August B.E. 2551 (and its amendments) and the Notification of the Board of Governors of the SET regarding Disclosure and Compliance by Listed Companies relating to Connected Transactions B.E. 2546 dates 19

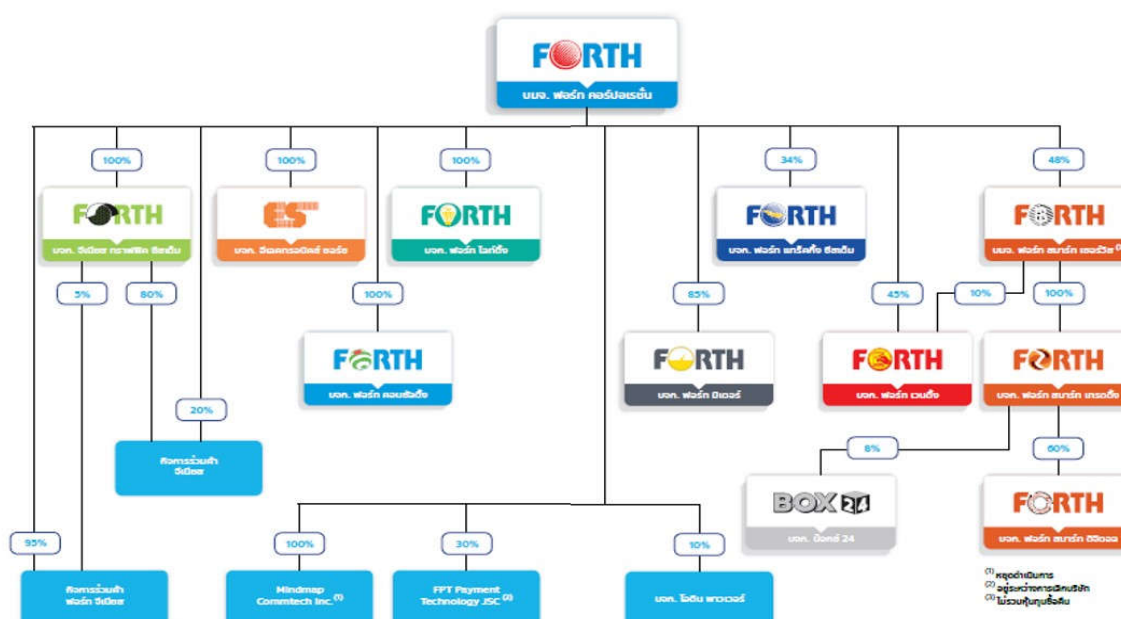
November B.E. 2546 (and its amendments). However, this Business Transfer is considered as a transferring of significant part of the business that will fall under Clause 107 (2) (Kor) of the Public Company Act B.E. 2535 (and its amendments) which requires the shareholders' approval with at least three-fourth of total votes of shareholders attending the meeting and having voting right.

The Business transfer will be valued at Book Value or Adjusted Book Value or Fair Value depended on type of assets and liabilities at the transfer date to comply with PBT Conditions. The Net Values of Assets (Total Assets to be transferred subtract Total Liabilities to be transferred) are expected to be around 250 Million Baht; according to Company's Statement of Financial Position as of 30 June 2019 (The intrinsic value depends on the period of transfer). Hence, in order to comply with the PBT conditions, Forth EMS shall have Net Asset not less than the transferred Assets and Liabilities from the Company at the date of transfer. Therefore, Forth EMS will increase its capital to fulfill the PBT conditions and the Company will subscribe such newly subsidiary's issued shares. In additional, the Partial Business Transfer to the subsidiary is planned to start within August 2019 and will be completed within the fiscal year of 2019.

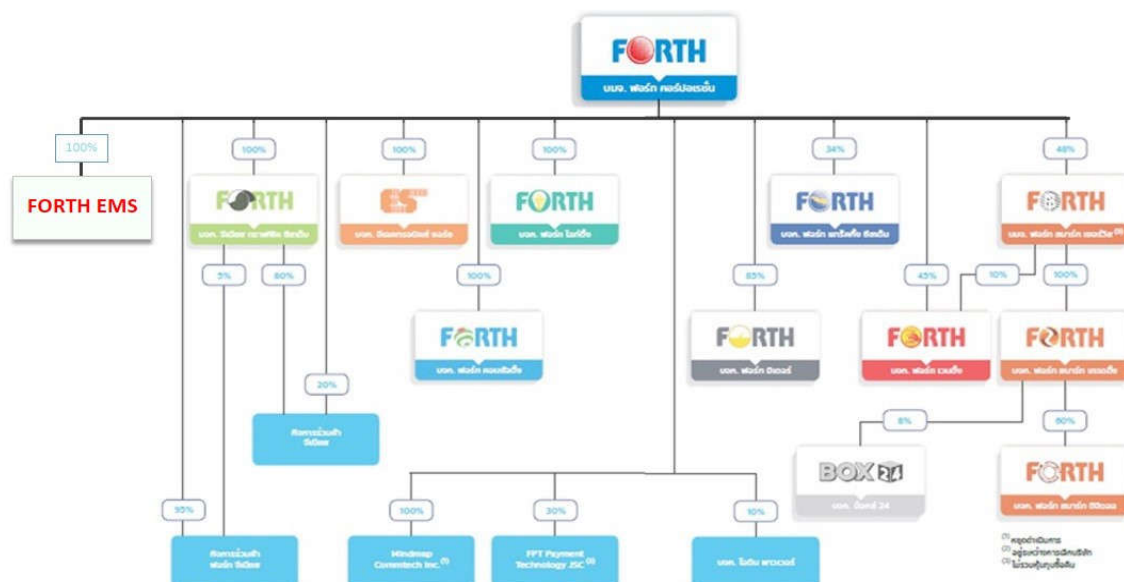
Furthermore, after the Business Restructuring, the Company shall hold the status as listed company in the Stock Exchange of Thailand (SET). The Company still has an enterprise solution business as the core business. The Company is still a major shareholder in Forth EMS at 99.99 percent.

2. Pre and Post Business Restructuring Diagram

Current Structure as of 17 July 2019 (Pre-Restructuring)



Post Restructuring



3. Key Information of the newly incorporated Subsidiary

Name:	Forth EMS Company Limited (“Forth EMS”)
Authorized Capital :	Initial Authorized Capital 1 Million Baht, consist of 100,000 common shares, Par value per share 10 Baht To comply with the PBT conditions, the subsidiary shall have Net Asset not less than the transferred Assets and Liabilities from the Company at the date of transfer. Therefore, the subsidiary will increase its capital to fulfill the PBT conditions and the Company will subscribe such newly subsidiary’s issued shares.
Shareholder:	The Company will hold 99.99 percent of the total shares in Forth EMS and the Company’s directors, management and connected parties shall hold 0.01 percent.
Objective:	Operates EMS business

4. Rationales and Reasons for the Business Restructuring

The Business Restructuring is aimed to reach the Company's strategic plan in order to establish business sustainability in long term growth, to increase opportunities to further expand its business and to enhance the effectiveness of the Company's operation and management. The details rationales and reasons are as follows:

4.1 To separate and manage the Company's Business Risks

FORTH group of companies operate several business segments including with Electronics Manufacturing Business, Enterprise Solutions Business, Smart Service Business. This Business Restructuring, Partial Business Transfer of EMS business to the subsidiary will lead to better business segregation and risk management, according to the expected return on each particular business, and to limit any future transactions risk which not hinder or impact other core businesses of the Company.

4.2 To increase more opportunities in expanding businesses and joint ventures or strategic partner

The Company's Business Restructuring will increase company's liquidity and flexibility to invest in new businesses. In addition, the Company's Business Restructuring will increase opportunities to find joint ventures or strategic partner, in forms of ordinary person, corporate, or financial institutions who interest or expertise in each particular businesses without investing or taking other FORTH's group businesses risks. This will consequently enhance the attractiveness to invest in such business, the company's competitiveness, and also increase the shareholders' returns in the long term.

4.3 To increase the effectiveness of business operation and organization management

The Company's Business Restructuring will increase effectiveness of business operation and organization management of FORTH's group to be more flexible and appropriate with each particular business. Furthermore, The Company's Business Restructuring will segregate business risk that creates more flexibility in management. Apart from that, the Company could use the financial report of those segregated businesses to analyzing the financial position and efficiency with higher accurate and efficiency.

5. Restructuring Processes can be summarized as follows:

- 5.1 The Extraordinary General Meeting of Shareholders (EGM) No. 1/2019 will be held on 23 August 2019 in order to approve the Business Restructuring Plan by Partial Business Transfer (PBT) and other relevant measures
- 5.2 At the date of transfer, the Company shall partially transfer its business including with EMS Business and Assets and Liabilities and all staffs and employees related to those business, transact at Book Value or Adjusted Book Value or Fair Value depended on type of assets and liabilities as discussed with related government authorities or related regulators to comply with the PBT Conditions. The Net Values of Assets (Total Assets to be transferred subtract Total Liabilities to be transferred) are expected to be around 250 Million Baht; according to Company's Statement of Financial Position as of 30 June 2019 (The intrinsic value depends on the period of transfer) and shall increase the registered capital to be not less than Net Assets at the date of transfer in accordance with PBT conditions. However, the Company might further propose to taxes exempted on Assets transfer which related to the PBT conditions.
- 5.3 After finishing the restructuring processes, the Company shall hold the status as listed company in the Stock Exchange of Thailand (SET). The Company still has an enterprise solution business as the core business. The Company is still a major shareholder in Forth EMS at 99.99 percent.
- 5.4 The Business Restructuring by Partial business transfer to its subsidiary shall start within August 2019 and will be completed within the fiscal year of 2019. Nevertheless, the Executive Committee of the Company and/or any person authorized by the Executive Committee is empowered to perform any necessary actions regarding partial business transfer to its subsidiary including but not limited to Price determination of partial business transfer, Preparation and Signing of partial business transfer agreement and/or any requested documents that concerned or related to the Business Restructuring by Partial business transfer, Determination of Subsidiary's Capital increases according to the value of transferred business to comply with PBT conditions and also To prepare and/or submit any application and/or document to the related authorities.

6. Corporate Governance and Management

The Business Restructuring will include a transferring of assets and of liabilities related to EMS Business as well as managements and employees to its subsidiary. The governance and controlling of its subsidiary shall be done through the subsidiary's corporate policies which authorized by the Company, and the Board of directors and management of its subsidiary shall be the same group of former directors and managements who operating such transferred businesses in the Company.

In addition, after the Business Restructuring, the Company's governance structure and management structure shall be the same. The Company, as major shareholder, shall govern its subsidiary by nominating subsidiary's Board of directors, Executives and Chief executive officer those designated directors and managements shall be qualified by related regulations of Securities Exchange Commission ("SEC") and Stock Exchange of Thailand ("SET"). The Company shall manage the businesses with transparency on the practice of good corporate governance, and comply with all regulations of relevant government authorities or related regulators.

Nevertheless, the Company may consider changing or modifying the structure of corporate governance and management as deemed necessary and appropriate pertaining to the dynamic changes in its operating businesses or its business plan.

7. Impacts of the Business Restructuring to Financial position and performance to the Company

The Business Restructuring, by transfer EMS Business to its subsidiary, will have no effect to financial position and financial performance of the Company because it is a Partial Business transfer to its subsidiary, which the Company holds total shares; therefore, the consolidated financial statements of the Company will be indifferent from that of the former company before the Business restructuring, except the cost incurred during transferring processes, such as related taxes and fees. Thus, the Business Restructuring shall not significantly affect financial position and performance of the Company.

8. Impacts of the Business Restructuring to shareholders of the Company

The Business Restructuring, by transfer EMS Business to its subsidiary, after finishing the restructuring processes, the Company shall hold total shares of newly incorporated company and the shareholders' structure on the Company shall not be changed. Thus, the Business Restructuring shall not affect current shareholder of the company.

9. Opinion of the Board of Director on the transaction

The Board of Directors foresees that the Business Restructuring, by transfer EMS Business to its subsidiary, will lead to better business segregation and more efficient risk management, not only create sustainability and continuously stable growth to the Company, but also increase the efficiency of company's operation and management and increase more opportunities in expanding businesses, pertaining to Forth group business plans. Therefore, the Board of Directors considers this transaction appropriate and rationale, and thereby approves the transaction.

10. Opinion of the Audit Committee or Director which is different from the Board of Directors

- None-