



2015

ANNUAL REPORT

Annual Report 2015

Forth Corporation Public Company Limited



“Awards of Pride”



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

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

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

Product: Multi Service Access Network (MSAN)

2009

2010

Forerunner of 5 IT Princess Award (Nationwide IT) from the Foundation for Research and Information Technology (Presided over by Her Royal Highness Princess Maha Chakri Sirindhorn)
Product: Multi Service Access Network (MSAN)

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

Product: FORTH X-TRAMS WDM Access Switch

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

Product: Multi Service Access Network (MSAN)

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

2011

2012

Performance Achievement Award
Western Digital (Thailand) Co., Ltd.

Award for Good Cooperation

Pioneer Manufacturing (Thailand) Co., Ltd.

2014-2015

Table of Contents

1

Message from
the President

2

Message from Chief
Executive Officer

3

Financial Highlights

6

Vision and Mission

7

Board of Directors
and Management

11

Shareholding Structure
of the Group

12

Nature of Business

16

Research and
Development Project

21

Corporate Social
Responsibility
Activity

23

Public Relation
Activity

24

Board of Directors
and Management
Profile

28

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

30

Significant Changes
and Development

31

Revenue Structure

32

Risk Factors

35

Management
Structure

46

Security and
Shareholder
Information

48

Corporate
Governance

58

Corporate Social
Responsibility

59

Prevention of the
Involvement in
Corruption

60

Internal Control
and Risk
Management

61

Connected
Transactions

63

MD & A of Financial
Position and
Operating Results

68

Report of Risk
Management
Committee

69

Report of Nomination
and Remuneration
Committee

70

Report of Audit
Committee

71

The Board of Directors'
Responsibilities
Report to Financial
Statements

72

Auditor's Report

73

Financial Statements

“Message from the President”

Year 2015 is the time of the world overall economic shrinkage that caused a severe impact on the Thai export. Prices of agricultural products decreased worldwide as well as the one of crude oil had been lowered more than 70%. These factors resulted in the shrinkage of purchase power and affected to Thai export. Thus, Thai government have tried to operate the policy on domestic economic stimulation in order to add more income to those who earned less but the result has not come out yet clearly, thus, we need to wait for a while.

As for the business operation of FORTH group of companies in the past year, it was quite good and could stand firm and make satisfying progress as can be seen from the increase of the sale circulation and the profit presented in the annual report which you all can see by yourself.

However, the management team of strong will and patience who have distant vision without susceptibility to the any incidents, have tried very hard and can expand the business unceasingly especially the intention of expand market to the AEC member countries in the neighborhood of Thailand by preparing to be prompt in various aspects to strengthen manpower, investment and competitive products.

I finally would like to present my thanks to shareholders, all those who has supported the business of the Group as well as the management team and staff of all ranks who have worked together to push the Group's business forward throughout the past. The Board of Committee will maintain the corporate governance consistently in order to strengthen the security within the frame of the international standards and grow together.



(Mr. Sanit Vorapunya)
President



“Message from Chief Executive Ofcer”

Although the Thai economic situation in 2015 did not support business expansion of the Company, the Company still maintains the net profit to the satisfactory level. Our company had gained net profit of Baht 460 million which increased up to 36% from 2014. The important factor that enhanced good steady growth in net profit was the “Boonterm” business, Enterprise Resource Planning (ERP) and the turn key for the CCTV installation.

In 2016, the Company will operate the business strategies as follow :

- The EMS business and the business on manufacturing and distributing light bulbs and lighting equipments. The Company will concentrate on improving the production process and cost management to be more effective in order to increase the competitiveness level.
- The telecommunication and related technology businesses which the Company is focusing on providing service on designing and installing of telecommunication and communication network products as well as information technology and integrated communication system.
- The top-up kiosk business which the Company aims to expand the business to both domestic and international level. In November 2015 the Company has registered Forth Vending Company Limited to operate the business on the automatic vending machine management which the Company and Forth Smart Service Public Company Limited (“FSMART”) have held 55% of its registered share capital. According to the top-up kiosk business in the Philippines, the Company is going to buy common stocks of the Mindmap Commtech Inc. (“MCI”) from other shareholders to add more flexibility in the management as well as to improve its turnover. The Company is going to have the previous model of top-up kiosk from FSMART repaired and replaced some new parts to sell to MCI at the lower price than the current model. This will result in the lower cost of the top-up kiosk while FSMART will be able to increase more top-up kiosk in new model with larger display to support new features. Moreover, the Company will manufacture more new automatic vending machines e.g. the new water filter (RO) and the gasoline vending machines.

Throughout 27 years since the Company has been established, we still strive for successful business by improving technology knowledge to support the industrial change and designing new products with more potentiality of creating revenues and profits and expanding the customer base as well as reducing the dependence on a certain product.

On behalf of the Board of Directors of the Company, I would like to present my thanks to you all for trusting the management team of the Company who are trying best to lead the Company to steady growth as in the past and we will strongly maintain the corporate governance together with social caring.



(Mr. Pongchai Amatanon)
Chief Executive Officer

Financial Highlights

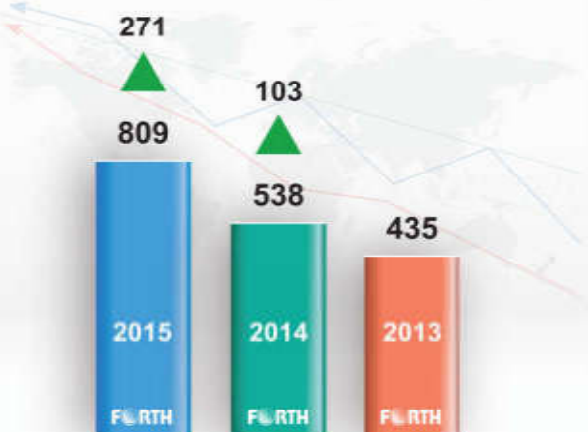
Total revenues (Million THB)



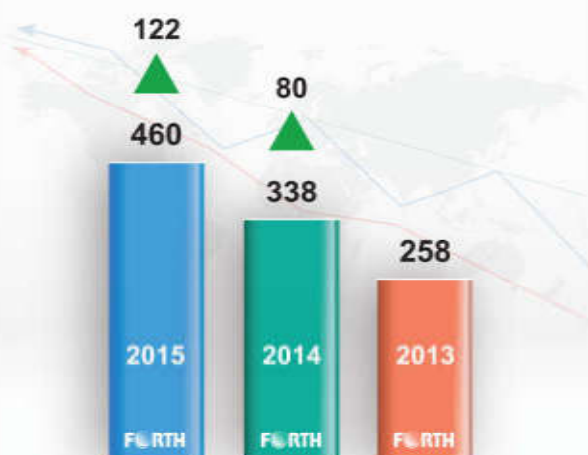
Gross profit margin (Million THB)



Profit before finance cost and income tax expense (Million THB)



Net profit (Million THB)

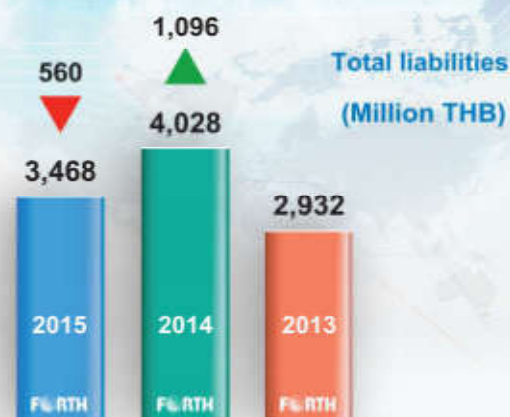


Earnings per share (THB)



Dividend per share (THB)

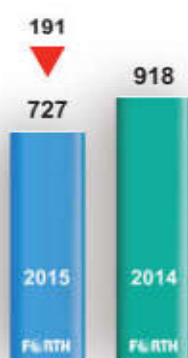




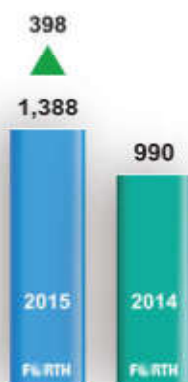
Revenue Structure



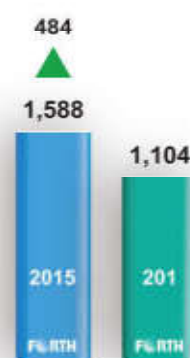
EMS business



Telecommunication business



Related technology business



Retail business

VISION & MISSION

Vision

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

Mission

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

Board of Directors



Mr. Sanit Vorapunya

Chairman of BOD
Independent Director
Audit Committee



Mr. Sutham Malila

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



Mr. Pongchai Amatanon

Director
Executive Committee
Chief Executive Officer
Risk Management Committee



Mrs. Rangsee Lerttripinyo

Director
Executive Committee
Senior Executive Vice President
Nomination and Remuneration Committee
Risk Management Committee
Corporate Secretary



Ms. Nongram Laohaareedilok

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

Board of Directors



Mr. Boonya Tantipanichapun

Director

Executive Committee

Risk Management Committee



Mr. Kaelic Amatanon

Director



Mr. Patima Jeerapaet

Director

Independent Director



Mrs. Matinee Wandeepirom

Director

Nomination and Remuneration Committee



Ms. Chonticha Siripongpreeda

Director

Management Team



Mr. Pongchai Amatanon

Chief Executive Officer



Mrs. Rangsee Lerttripinyo

Senior Executive Vice President



Mr. Chatchavin Pipatchotitham

Executive Vice President
Risk Management Committee

Management Team



Mr. Pramote Pantina

Vice President of Production



Mr. Arin Jamnaree

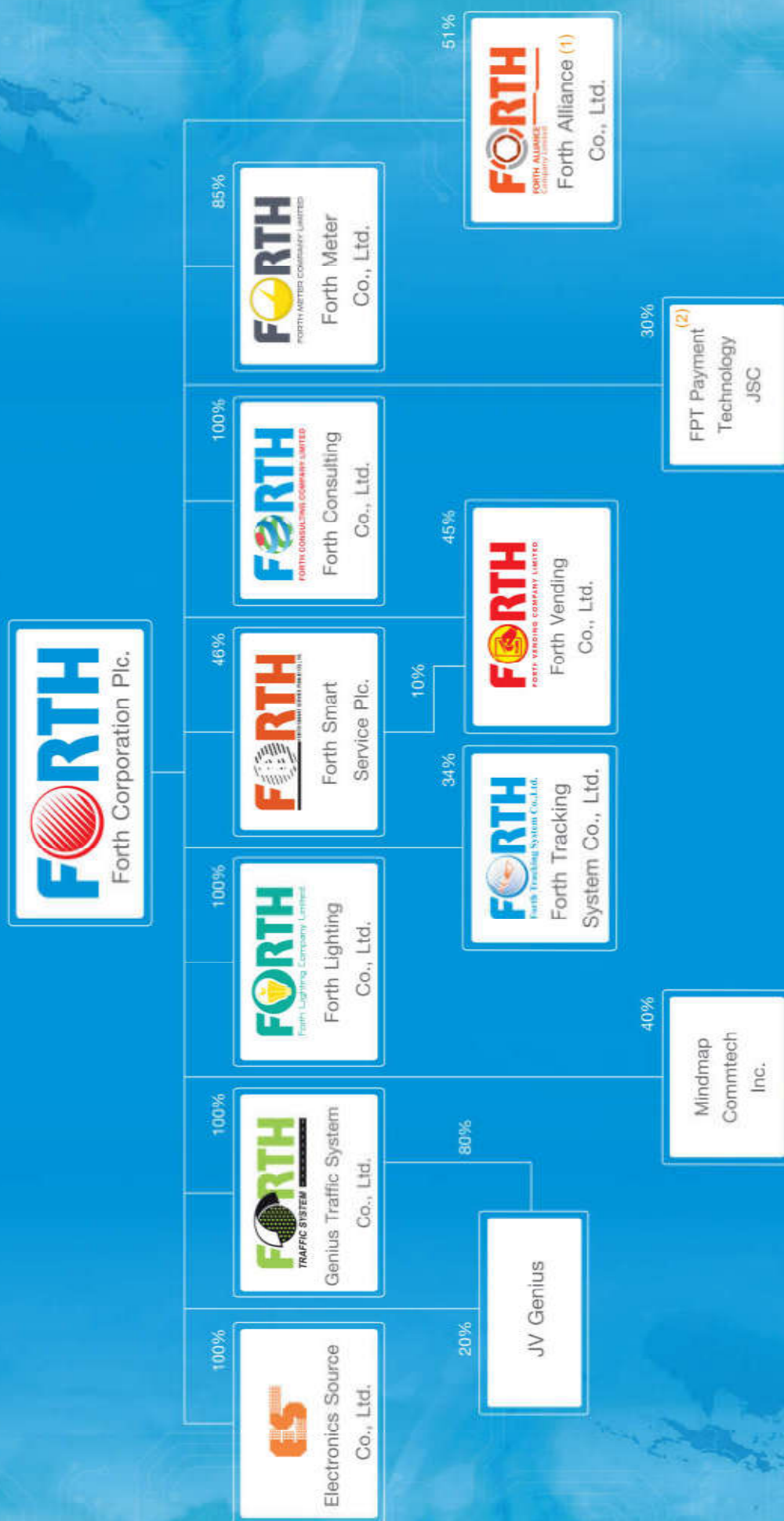
Vice President of Accounting and Finance



Ms. Nitiya Songprapai

Vice President of Central Administration

Shareholding Structure of the Group



(1) Dissolution during 2015

(2) Under dissolution process

Nature of Business

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

Electronics Manufacturing Service business

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

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



Business of electronics component sourcing

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

Telecommunication business

Business of full integrated telecommunication solution

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



Business of manufacturing and distributing telecommunication products

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



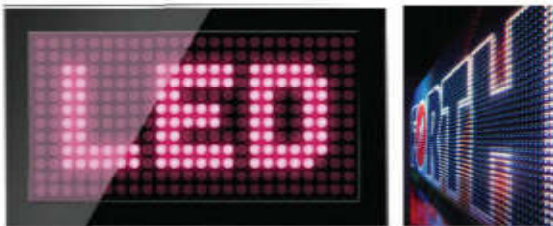
Related technology business

Business of traffic light manufacturing and distributing

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

Business of electronic sign manufacturing and distributing

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



Business of advertising fee collection from smart traffic boards

The business is operated by Joint Venture Genius (JV Genius). The 80% of the joint venture capital is held by Genius Traffic System Company Limited and 20% of the joint venture capital is held by the Company. JV Genius is assigned from Bangkok Metropolitan Administration (BMA) to install smart traffic boards including maintenance and 40 control stations. Moreover, it received right to derive benefit from the smart traffic boards for 9 years (3 years per one contract and renew 2 times per contract). The joint venture has already renewed the agreement twice, and the agreement terminated in 2015. Currently, the BMA considered to extend the agreement annually.

Business of tracking system manufacturing and distributing

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



Business of electronic meters manufacturing and distributing

The business is operated by Forth Meter Company Limited (a 85-percent owned subsidiary and another 15% of equity interest are not connected persons) under trademark of **FORTH**. The main products are kWh meter both 1 Phase and 3 Electronics Phase including linkage of processing automatic system through RS485 Interface, LAN or Ethernet. It then accesses billing program at the Company's exchange station. Moreover, the 1 phase kWh Meter (RFID value refilled) and water supply meter connected to the automatic processing system together with the kWh meter can be the additional equipment to transfer data in wireless system to provide water report automatically.



Business of enterprise resource planning service

This business is operated by Forth Corporation Public Company Limited and/or Forth Consulting Company Limited (a 100% owned subsidiary). The main products aim to provide enterprise resource planning service. Major target customers are public sector and state enterprises e.g. Metropolitan Electricity Authority, Thai Airways International Public Company Limited, State Railway of Thailand etc.

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

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

On 9 December 2014, the Extraordinary General Meeting of shareholders of Forth Alliance Company Limited approved the dissolution of the subsidiary since it has not yet commenced its operation. The subsidiary registered the dissolution with Ministry of Commerce on 11 December 2014. Subsequently, it registered the completion of its liquidation with the Ministry of Commerce on 10 November 2015.



Business of lamps and lighting equipment manufacturing and distributing

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

Online service top-up business

Domestic business of online service top-up

The business is operated by Forth Smart Service Public Company Limited (a 46-percent owned subsidiary and another 54% of equity interest are not connected persons) under trademark of **สมัณเดียม**. It provides value added top-up or online payment through kiosk system. Customers can make self-service transaction by the convenient and fast service. At present, kiosk services covers topping up for mobile phones and online game, telephone postpaid billing payment for AIS, credit card payment for AEON, Tesco and First Choice, purchasing of internet hours and international calling card. The kiosk system also supports other business activities in the future e.g. vending machine.



Oversea business of online service top-up

The Company has expanded business line throughout South East Asia as well as designed and developed software system to support the need of those countries. In 2009, the Company expanded its business to the Philippines by established Mindmap Commtech Inc. under the trademark of **u1040**. The Company holds 40% of its registered capital (another 60% of equity interest are held by unconnected persons). At this moment, there are approximately 2,600 kiosks installed and be ready for operation. On 14 May 2015, a meeting of the Company's Board of Directors passed a resolution approving the acquisition of ordinary shares of Mindmap Commtech Inc. from those shareholders of that company who wished to sell their shares to the Company. The Company expects the shares to be sold to the Company during the year 2016.

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

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

Forth Vending Company Limited is incorporated on 2 November 2015 with a registered and paid up share capital of Baht 80 million (8 million ordinary shares with a par value of Baht 10 each). The company is principally engaged in the management of vending machines. The Company holds 45% and Forth Smart Service Public Company Limited, one of the subsidiaries, holds 10% of that shares.

Research and Development Project

NEW

Online Gasoline Vending Machine

FORTH Gasoline Vending Machine sells fuel covering Gasoline 91, gasohol 95, diesel and biodiesel. It suits small community which is remote from gas station. The machine is designed by our specialized engineer team with it neat, attracting look which different from other gasoline vending machines. FORTH Gasoline Vending Machine comes with 10.1 inch LCD touch screen display including audio instruction which facilitates the operation, besides it accepts both coins and bank notes. Moreover, the machine functions with online system, thus it can transfer data of sales summary and the gasoline left in the machine for effective management. It is equipped with pump and oil flow meter from Italy with high quality, enduring, accurate and safe. The Gasoline Vending Machine of the Company has passed the quality check from the Department of Energy Business, Ministry of Energy as well as the Bureau of Weights and Measures, Ministry of Commerce.

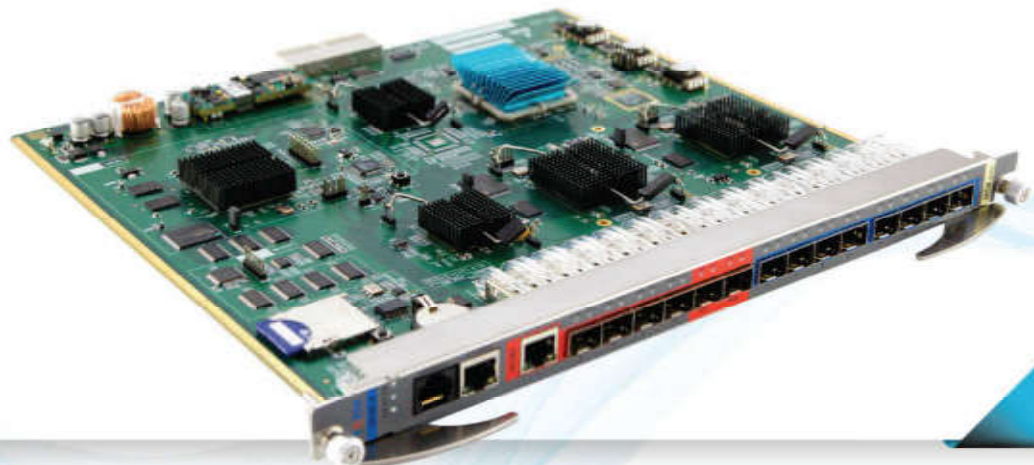


NEW

Passive Optical Network GPON-8 for high speed internet

The Device for High Speed Internet via Passive Optical Network GPON-8 is resulted from the appropriate integration between the Gigabit Ethernet Switch and Passive Optical Network device which sends data via fiber-optic network with FTTx technology in form of GPON at the maximum speed of 2.488 Gbps/1.244 Gbps. It can function for the maximum of 1,024 Subscribers per one device. The Gigabit Ethernet Switch perfectly supports the multimedia operating in the format of Triple Play as well as the Ethernet lease line function for the entrepreneurs with 10 Gbps and 1 Gbps ports provided which can be connected with other high speed internet network variously.

The GPON-8 is designed on the base of the existing device of the Company, thus it facilitates the installation as well as the expanding capability of the service point rapidly. The EMS software of the Company enhances the easy, fast management and maintenance in all functions through the user friendly GUI.



NEW

Electric Vehicle Charging Station

At present people tend to use more and more electric vehicles in order to replace vehicles that consume fuel. Thus, the Company has researched and developed the Electric Vehicle Charging Station 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 payment will be in the same system as the Automatic Drink Vending Machine. Customers can pay in cash and maybe by credit card in the future, so this provides more convenience to customer.



NEW

Electric Vehicle Supply Equipment

Apart from developing the Electric Vehicle Charging Station, the Company has also researched and developed the Electric Vehicle Supply Equipment which can charge electric power in the residents with voltage of 230 and electric current of not more than 16 amperes. The equipment can be used with the general plugs and it takes about 6-8 hours of charging time, besides it supports the charging of Plug-in-Hybrid vehicles of all brands.



NEW

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.



1989-2003



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

- Develop Access Network Product

2005

2007

- IP PBX, IP Phone
- VoIP Gateway



- Implement DLC to TOT (TDM-Voice)

2006



2010-2011

- Forth WDM Access Switch
- Top UP Machine



2012-2013

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



2014

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



2015

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



Corporate Social Responsibility Activity

Medical devices offering to Pakplee hospital, Nakhorn Nayok Province

Awarding scholarships to students to students Hin Lad school and Wat Tha Maprang school, Nakhorn Nayok Province



Organizing the Children's day for 2015 at Ravin Home resort, Nakhorn Nayok Province



Blood donation to Faculty of medicine at Siriraj hospital



Forest-Robe and lamp offering to Watpa Srithawonnimit, Nakhorn Nayok Province



Public Relation Activity

■ Event : Engineering Expo 2015, 16-19 July 2015 at BITEC Bangna



■ Event : Pride of the Provinces Project (IPOP) 23 February 2015



■ Event : Premium Product of Thailand 2015 26 September 2015



■ Event : Thailand Mobile Expo. 2015 1-4 October 2015



Mr. Sanit Vorapunya

Age 77 years old

Chairman of BOD/ Independent Director/ Audit Committee
Company's Shares Procession (%)

as of 10 March 2016: -None-

Education and Training Background

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

The relevant important positions of other companies

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

Mr. Sutham Malila

Age 74 years old

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

Company's Shares Procession (%)

as of 10 March 2016: -None-

Education and Training Background

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

The relevant important positions of other companies

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

Ms. Nongram Laohaareedilok

Age 62 years old

Director / Independent Director/ Audit Committee/ Chairman
of Risk Management Committee/ Nomination and Remuneration
Committee

Company's Shares Procession (%)

as of 10 March 2016: -None-

Education and Training Background

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

The relevant important positions of other companies

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

Mr. Pongchai Amatanon

Age 52 years old

Director/ Executive Committee/ Chief Executive Officer/ Risk
Management Committee

Company's Shares Procession (%)

as of 10 March 2016: -41.75- (*)

(*) Including spouse and immature children

Education and Training Background

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

The relevant important positions of other companies

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

Mrs. Rangsee Lerttripinyo

Age 55 years old

Director/ Executive Committee/ Senior Executive Vice President/
Nomination and Remuneration Committee/ Risk Management
Committee/ Corporate Secretary
Company's Shares Procession (%)
as of 10 March 2016: -6.19- (*)
(*) Including spouse and immature children

Education and Training Background

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

The relevant important positions of other companies

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

Mr. Kaelic Amatanon

Age 59 years old

Director
Company's Shares Procession (%)
as of 10 March 2016: -6.03-

Education and Training Background

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

The relevant important positions of other companies

- Director of Electronics Source Company Limited

Mrs. Matinee Wandeepirom

Age 54 years old

Director/ Nomination and Remuneration Committee
Company's Shares Procession (%)
as of 10 March 2016: -2.58-

Education and Training Background

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

The relevant important positions of other companies

- Director of Genius Traffic System Company Limited

Mr. Boonya Tantipanichapun

Age 54 years old

Director/ Executive Committee/ Risk Management Committee
Company's Shares Procession (%)
as of 10 March 2016: -2.57- (*)
(*) Including spouse and immature children

Education and Training Background

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

The relevant important positions of other companies

- Director of Genius Traffic System Company Limited

Ms. Chonticha Siripongpreeda

Age 44 years old

Director

Company's Shares Possession (%) as of 10 March 2016: -None-

Education and Training Background

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

The relevant important positions of other companies

- Deputy Managing Director of Electronics Source Company Limited

Mr. Patima Jeerapaet

Age 48 years old

Director/ Independent Director

Company's Shares Possession (%) as of 10 March 2016: -None-

Education and Training Background

- Doctorate of Philosophy in Management and Organization Development, Assumption University
- Master Degree in Business Administration, Assumption University
- Bachelor Degree in Business Administration, Assumption University
- Certificate in Top Executive Program for Industrial Development and Investment (IBID 1/2015), Institute of Business and Industrial Development
- Certificate in Top Executive of Urban Development Program (Mahanakorn 2/2013), Urban Green Development Institute Bangkok
- Certificate in Top Executive Program in Commerce and Trade (TEPCoT 6/2013), Commerce Academy, University of the Thai Chamber of Commerce
- Certificate in Financial Institutions Governance Program (FGP) 7/2013, Thai Institute of Directors Association
- Certificate in Role of the Chairman Program (RCP) 32/2013, Thai Institute of Directors Association
- Certificate in Top Executives Program (CMA 13/2012) of Capital Market Academy
- Certificate in Directors Certification Program (DCP) 66/2005, Thai Institute of Directors Association

The relevant important positions of other companies

- Advisor, Subcommittee Industry Reform, National Reform Council
- Advisor to President of the Engineering Institute of Thailand under H.M. the King's Patronage
- Advisor to the Board of Executive Directors, Grande Asset Hotel and Property Public Company Limited
- Vice Chairman, PB International Company Limited
- Director, CTH International Company Limited
- Director, WTH Group Company Limited
- Director, WTH Holding Company Limited
- Director, Solution Power Networks Company Limited
- Assistant to Chairman, Phyathai Hospital Group and Paolo Memorial Hospital Group
- Assistant to Chairman, CTH Public Company Limited

Mr. Pongchai Amatanon

Age 52 years old

Chief Executive Officer

Company's Shares Possession (%)

as of 10 March 2016: -41.75- (*)

(*) Including spouse and immature children

Education and Training Background

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

Mrs. Rangsee Lerttripinyo

Age 55 years old

Senior Executive Vice President/ Corporate Secretary

Company's Shares Possession (%)

as of 10 March 2016: -6.19- (*)

(*) Including spouse and immature children

Education and Training Background

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

Mr. Chatchavin Pipatchotitham

Age 43 years old

Executive Vice President/ Risk Management Committee

Company's Shares Possession (%)

as of 10 March 2016: -None-

Education and Training Background

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

Mr. Pramote Pantina

Age 47 years old

Vice President of Production

Company's Shares Possession (%)

as of 10 March 2016: -None-

Education and Training Background

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

Mr. Arin Jamnaree

Age 43 years old

Vice President of Accounting and Finance

Company's Shares Possession (%)

as of 10 March 2016: -None-

Education and Training Background

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

Ms. Nitiya Songprapai

Age 55 years old

Vice President of Central Administration

Company's Shares Possession (%)

as of 10 March 2016: -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

Item No.	Business name/Location	Business type	Share type	No. of Outstanding shares	No. of Shareholding	Percentage of Shareholding
1	Genius Traffic System Co., Ltd. 77 Moo 11 Phuttamonthon 5 Road, Raikhing, Sampran, Nakornpathom 73210 Tel : 0-2811-7925, Fax : 0-2811-7935	Manufacture and distribution of traffic system	Common	2,000,000	1,999,994	100.00%
2	Electronics Source Co., Ltd. 7/129 Central Pinklao office building 17 FL. Room No.1702, Baromrachonnee Road, Arun Amarin, Bangkok-nol, Bangkok 10700 Tel : 0-2884-9210, Fax : 0-2884-9213-4	Distribution of electronic parts	Common	500,000	499,994	100.00%
3	Joint Venture Genius 282 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2615-2440, 0-2615-2231-2 Fax : 0-2615-2441	Concession for traffic board project	-	-	-	100.00%
4	Forth Smart Service Plc. 226/12, 13, 16 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2278-1777 Fax : 0-2279-7195	Online top-up services and automatic prepaid mobile phone top-Up	Common	800,000,000	365,999,400	45.75%
5	Forth Consulting Co., Ltd. 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2265-6700, 0-2271-2888 Fax : 0-2265-6799, 0-2279-4888	Consulting service for information management and computer software management	Common	100,000	99,998	100.00%
6	Forth Alliance Co., Ltd. ⁽¹⁾ 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2265-6700, 0-2271-2888 Fax : 0-2265-6799, 0-2279-4888	Providing design and installation services in respect of information technology and telecommunication systems	Common	10,000	5,097	51.00%
7	Forth Lighting Co., Ltd. 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2271-4888 Fax : 0-2271-3040-1	Manufacture and distribution of lamps and lighting equipment	Common	100,000	9,996	100.00%
8	Forth Tracking System Co., Ltd. 226/3, 4, 5 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2615-0808 ,Fax : 0-2615-0809	Distribution of vehicle tracking system	Common	300,000	101,991	34.00%
9	Forth Meter Co., Ltd. 228/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2615-2420-1 ,Fax : 0-2615-2422	Distribution of Electronic Meter	Common	4,000,000	3,399,997	85.00%
10	Forth Vending Co., Ltd. 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Management of vending machine	Common	8,000,000	4,399,997	55.00% ⁽³⁾

Item No.	Business name/Location	Business type	Share type	No. of Outstanding shares	No. of Shareholding	Percentage of Shareholding
11	Mindmap Commtech Inc. 538 Hen. Lacuna cor. Zamora Street, Bangkal, Makati City, Metro Manila, Philippines	Online top-up services and automatic prepaid mobile phone top-Up	Common	150,000	60,000	40.00%
12	FPT Payment Technology Joint Stock ⁽²⁾ FPT Tan Thuan Building – 2nd Floor. 29B - 31B - 33B, Tan Thuan Street, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, Dist.7, HCM City, Viet Nam	Online top-up services and automatic prepaid mobile phone top-Up	Common	4,200,000	1,260,000	30.00%

Remark: (1) dissolution during 2015

(2) in the process of dissolution

(3) 45% held by the Company and 10% held by Forth Smart Service Plc.

In 2015, the Company and its subsidiaries have significant changes and development as follows:



The Company, Forth Smart Service Public Company Limited and Singha Corporation Group of Companies have jointly established Forth Vending Company Limited which is principally engaged in the management of vending machines. Its registered and paid-up share capital of Baht 80 million (8 million ordinary shares with a par value of Baht 10 each). The Company and Forth Smart Service Public Company Limited holds 45% and 10% of the share capital of that company, respectively.



Forth Smart Service Public Company Limited received a license from the Electronic Transactions Commission (ETC) as a provider of electronic payment service and payment service provider service.



Forth Alliance Company Limited registered the completion of its liquidation with the Ministry of Commerce on 10 November 2015.

	2015		2014		2014	
	(Million THB)	%	(Million THB)	%	(Million THB)	%
Revenues from major business						
Electronics Manufacturing Services business						
- Manufacturing and distribution of telecommunication and electronics equipments under customer brands	525	10.24	545	12.46	911	20.09
- Distribution of electronics parts	793	15.47	721	16.49	717	15.81
Telecommunication business	727	14.18	918	20.99	515	11.36
Technology related business						
- Manufacturing, distribution and installation of traffic light system and related equipment, CCTV and electronic boards	976	19.04	505	11.55	1,291	28.48
- Development and implementation of ERP system	358	6.98	445	10.18	203	4.48
- Others	54	1.05	40	0.91	31	0.68
Online top-up service and topping-up prepaid mobile phone	1,588	30.97	1,104	25.25	803	17.71
Total revenues from major business	5,021	97.93	4,278	97.83	4,471	98.61
Other revenues	106	2.07	95	2.17	63	1.39
Total revenues	5,127	100.00	4,373	100.00	4,534	100.00

 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. Business risk**Risk from the liquidity of distribution to public sector**

The target customers of our telecommunication business and related technology business are mainly public sectors which the payment terms are usually longer than the private customers. This group has 60 days of average account receivable turnover depending on the budget of each department. The 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.

Risk relating to change in government policy

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

Risk relating to project delivery

The operations of projects by the 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. At the end of 2015, the Company and its subsidiaries remain the inventory of 16% of total assets (18% in 2014). Large number of remaining inventories from slow distribution might result in obsolete products which require high capital for management. The allowance for obsolete product reduces

the profitability and liquidity of the Company and its subsidiaries; hence, in 2015 the Company and its subsidiaries have set up allowance for obsolete inventories amounting to Baht 64 million (2014: Baht 30 million). However, the Company and its subsidiaries have a plan to manage and reduce overstocks by continuously meet with related departments such as production, sales and R&D to determine the methods to resolve on slow stock turnover together with apply information technology system to improve production planning and sale forecasting, determine inventories level.

Risk from dependence on an executive or a major shareholder

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

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

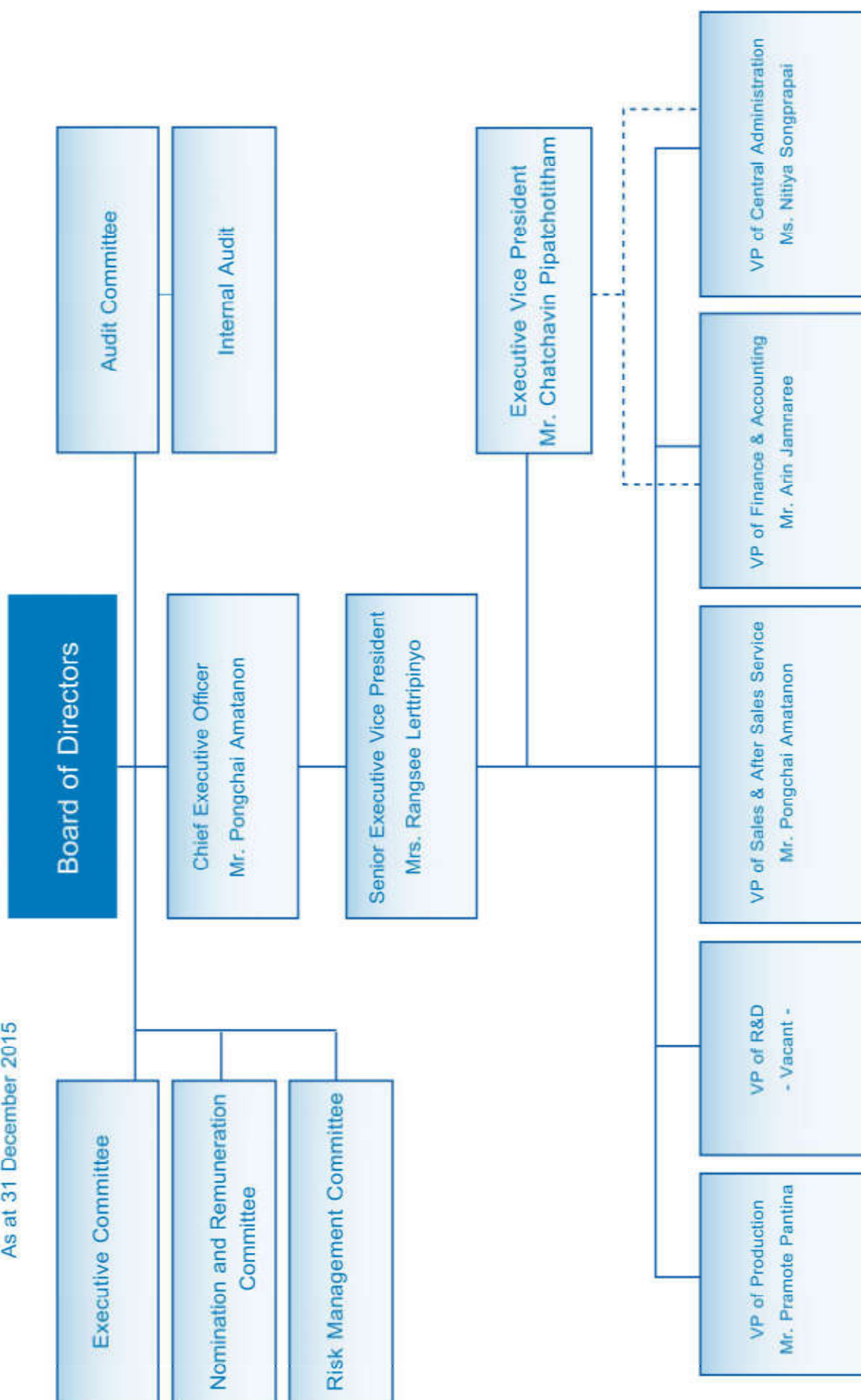
Risk from a shareholder group which held of more than 50% of the Company's share capital

As at 10 March 2016, Amatanon family was still the major shareholder of the Company with shareholding of 54.36%, 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.

FORTH
Organization Chart

As at 31 December 2015



Management Structure

The Company's management structure is categorized in 5 committees as follows:

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

Remark: (1) On 14 May 2015, a meeting of the Company's Board of Directors No.2/2015 approved the appointment of the Nomination and Remuneration Committee and the Risk Management Committee.

Details of each committee are as follows:

Board of Directors

The Board of Directors has 10 members which are composed with 6 executive directors or 60% of total board members and 4 independent directors or 40% of total board members.

List of the Board of Directors as at 31 December 2015

No.	Name	Position
1.	Mr. Sanit Vorapunya	Chairman of the Board of Directors
2.	Mr. Sutham Malila	Director
3.	Ms. Nongram Laohaareedilok	Director
4.	Mr. Pongchai Amatanon	Director
5.	Mrs. Rangsee Lerttripinyo	Director
6.	Mr. Kaelic Amatanon	Director
7.	Mrs. Matinee Wandeepirom	Director
8.	Mr. Boonya Tantipanichapun	Director
9.	Ms. Chonthicha Siripongpreeda	Director
10.	Mr. Patima Jeerapaet ⁽²⁾	Director

Remark: (2) On 21 August 2015, the Extraordinary General Meeting of the Shareholders of the Company No.1/2015 approved the appointment of Mr. Patima Jeerapaet as a director of the Company.

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

Authorized Directors

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

Duties and responsibilities of the Board of Directors

1. To ensure that all members in the board have undertaken actions under the Statement of Corporate Governance Principles, as specified as well as shareholder resolution with ethic and integrity on behalf of the Company.
2. To arrange an Annual General Meeting of Shareholders within 4 months after ending of annual accounting closed period.
3. To provide for the Board of Directors' meeting every three months.
4. To certify the Company's annual financial statements audited by its auditors and propose the financial reports to the Annual General Meeting of the Shareholders for consideration and approve.
5. Ensure that the Company shall vest the representative person with full authority of the Board of Directors with respect to specific matters delegated and approve by the board. The Board of Directors may terminate, adjust or amend such a delegated authority on any appropriate judgment. The above authorization must not involved the transactions showing a potential conflict with the Company's business interests as well as main transactions with related parties except that transactions were conformed to authorization policy or were approved by the Board of Directors.
6. Review and discuss management's proposed strategy options and approve major decisions in respect of firm direction and policies. An exception to the matter concerning legal issue would be necessary to gain approval from the meeting of shareholders, for example, the increasing or reducing share capital, sale or transfer of the whole or the substantial part of the Company's business to any other person or purchase or acceptance of transfer of the business of private companies or public companies by the Company, the amendment of the Memorandum of Associations or Articles of Association of the Company.
7. Monitor the Company's operation to comply with the Securities Exchange Act and the regulations of the Securities and Exchange Commission i.e. connected transactions or acquisition or disposal of assets in accordance with the Securities and Exchange Commission, the Stock Exchange of Thailand and the related law and regulation.
8. Consider the management structure, appoint the Board of Executive Directors, Chief Executive Officer and other sub-committees, as well as evaluate the performance of Chief Executive Officer in order to follow up the progress of achievement of the Company's objectives.
9. To ensure that the board has a proper system in place to communicate effectively with all stakeholders and the public on conflict of interest issue e.g. an increase or decrease in number of shares that the board members held in the Company or related companies.

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

The scope of power of the Board of Directors

The summary of the Board of Directors' power are as follows;

- Administrative consideration
- To consider approval of business plans and business strategies
- To consider approval of annual budgets
- To consider approval of the vision and mission
- To consider approval of any issue related to the administrative work and making decision
- Operative consideration

- To consider approval of the policies
- To consider approval asking permission to the government sector
- To consider approval any issue under the Public Limited Companies Act.

The roles and duties of the Chairman

The roles and duties of the Chairman in addition to those mentioned above are as follows;

- Having the role of the leader and presides over the Board of Directors' meeting
- Having a casting vote in case the Board of Directors' meeting has a tie vote
- Calling meetings of the Board of Directors
- Having the role of the leader and presides over the Annual General Meeting of Shareholders

Executive Committee

As at 31 December 2015, there are 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 Tantipanichapun	Executive Committee

Duties and responsibilities of Executive Committee

1. Manage and undertake the business as assigned by the Company's mission, objectives, policy, regulation, condition, or any mandatory stated by the Board of Directors, or by specific resolutions of the shareholders' meeting.
2. Develop and undertake business policies, strategic plans, direction, budgets, managing structure and authorization as well as monitor and assess the performance in order to achieve the Company's objectives.
3. Review and recommend to the Board of Directors for approval an annual capital expenditures budget or any adjustment in budgeting amount for the Company. If deemed appropriate by the Board of Directors, review and recommend to the Board of Directors for approval projected capital expenditures budgets. If board meetings are not arranged, then submit concluded budget to the next board meeting.
4. Authority to approve the Company in conducting normal operating transactions. Also, authority to approve the capital investments spending that included in annual budget assigned by the Board of Directors or mentioned in the Board of Directors jurisdiction.
5. Make recommendations to the Board of Directors regarding revisions to financial policy, marketing strategy, human resource management and any operating plans.
6. Review and approve organization structure and management, the human resources policies, management development plans regarding to recruitment, moving, and termination as well as remuneration policy.
7. The Board of Directors selects any other board members in whom they vest certain duties responsibilities and authorities to operate in any normal business or any appropriated activities within specified periods. The Board of Directors may terminate, adjust, or amend such a delegated authority to any other persons on any appropriate judgment.
8. Operate in other activities regarding to the Board of Directors assignment.

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

Definition of Independent Directors

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

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

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

As at 31 December 2015, the Company's independent directors compose of 4 directors who are selected from 10 members of the Board of Directors (40% of total board member) which is in accordance with good corporate governance according to Securities and Exchange Commission's regulation. The independent directors are listed as follows:

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

Audit Committee

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

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

As at 31 December 2015, there are 3 members of the Audit Committee as follows:

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

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

Duties and responsibilities of Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information.
 - (1) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (2) an opinion on the adequacy of the Company's internal control system,
 - (3) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (4) an opinion on the suitability of an auditor,
 - (5) an opinion on the transactions that may lead to conflicts of interests,
 - (6) the number of the audit committee meetings, and the attendance of such meetings by each committee member,

and comparisons against similar business, and the benefits expected in return from each director. The report will be submitted to the board of Directors for consent and to the shareholders' meeting for approval.

3. Report policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.
4. Responsible for other tasks related to the remuneration as assigned by the Board of Directors.

As at 31 December 2015, there are 4 members of the Nomination and Remuneration Committee as follows:

No.	Name	Position
1.	Mr. Sutham Malila	Chairman of the Nomination and Remuneration Committee
2.	Ms. Nongram Laohaareedilok	Nomination and Remuneration Committee
3.	Mrs. Rangsee Lerttripinyo	Nomination and Remuneration Committee
4.	Mrs. Matinee Wandeepirom	Nomination and Remuneration Committee

Risk Management Committee

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

1. Being the members of the Board of Directors, management and/or any qualified candidates and appointed by the Board of Directors.
2. Comprising at least 3 committee members, with at least one of them being an independent director.

The Risk Management Committee shall convene the meeting when seen as appropriate (at least 2 times a year) and has power to call for an extra meeting.

Duties and Responsibilities of the Risk Management Committee

1. To set out the risk management policy and the overall framework for risk management of the Company, covering various types of material risks, especially, in respect of Strategic Risk, Operational Risk, Financial and Accounting Risk, Compliance Risk and Information System Risk, etc. as well as specify strategies to manage those risks.
2. To lay down such strategies in line with the risk management policies so as to be able to assess, monitor and control the Company's overall risks to stay at an acceptable level.
3. To 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 for a systematic and continued evaluation and analysis of damage that may occur under normal and crisis conditions to make sure that risk survey has covered all processes of business operations.
5. Support and develop risk management continually to cover all organization and comply with international standard.
6. To regularly report to the Board of Directors on what needed to be improved to comply with the specified policies and strategies.
7. The Risk Management Committee may engage external advisors for advice, at the Company's expenses, with the approval of the Board of Directors.
8. To perform other duties as assigned by the Board of Directors.

As at 31 December 2015, there are 5 members of the Risk Management Committee as follows:

No.	Name	Position
1.	Ms. Nongram Laohaareedilok	Chairman of the Risk Management Committee
2.	Mr. Pongchai Amatanon	Risk Management Committee
3.	Mrs. Rangsee Lerttripinyo	Risk Management Committee
4.	Mr. Boonya Tantipanichapun	Risk Management Committee
5.	Mr. Chatchavin Pipatchotitham	Risk Management Committee

Management Team

The management of the Company as at 31 December 2015 consisted of:

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

Nomination of the Board of Directors and the Executives

The Board of Directors has assigned the Nomination and Remuneration Committee to formulate rules and policies on nomination of members of the Board of Directors and sub-committees with regard to composition, structure, qualifications and board diversity of the directors, as well as to recruit, select and nominate suitable persons to succeed the directors retired by rotation and/or to fill any vacancies and/or to fill additional board seats which takes into account the lack of necessary skills on the Board according to the policy and criteria for the nomination of directors of the Company for further proposing to the Board of Directors and/or for final approval by the shareholders' meeting, as the case may be. Sufficient information must be provided so that the Board of Directors and the shareholders could use as a basis for making the right decision.

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

In the event that the positions on the Board become vacant for some other reason than the normal expiration of a director's term of office such as resignation, the Nomination and Remuneration Committee may then propose an qualified and legitimate person to the Board of Directors to elect as a replacement in the meeting of the Board of Directors within the time stipulated by law or regulators, to fill that position only for the remaining term, unless the

remaining period is less than 2 months. However, the resolution of the designation shall receive votes of not less than 3/4 of the remaining directors.

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

Roles and Responsibilities of Chief Executive Officer

1. To execute and supervise business policies, business plan and budget, and oversee the Company's management in effectively carrying out actions that are in line with the designated policies and business plans.
2. To execute and supervise to run business accordance with the rules and regulatory requirements of related government agencies and the resolutions of shareholders' meeting and/or the Board of Directors' meeting and/or the Executive Directors' meeting.
3. To have the power to appoint and/or authorize any person to act on behalf of the Company in conducting activities within specific limitation of the power of attorney and/or to comply with regulations or orders of the Board of Directors of the Company and/or any other company regulations.
4. To monitor the performance of the Company's plan and policy with regard to risk management policy.
5. To obtain detailed understanding of significant procedures and practices employed in the business contract process and present to the Board of Directors or executive directors for approval.
6. To consider recruitment, retirement, termination, transfer or other reasons specified in employment process, remuneration, compensation, bonus, and fringe benefit system approved from the Board of Directors to an employee, a staff member, an adviser who receives a regular salary.
7. To authorize, regulate, inform, and record the business operation disciplines regarding the Company's policy in order to maintain the conduct in organization.
8. To assist activities or any assignment from the Board of Directors.

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

Company Secretary

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

1. Provide basic advice pertaining to the relevant requirements, laws, regulations and practices, as well as monitor compliance on a regular basis and reporting any significant changes to the Board of Directors.
2. Arrange the meeting in accordance with the laws and regulations. Prepare and keep the minutes of meeting as well as coordinate to ensure all resolutions of the Board of Directors or the shareholders have been implemented efficiently.
3. Disclose corporate information and report to regulatory agencies.
4. Provide to arrange new directors' orientation and training session for directors and executives.

5. Prepare and file important documents such as the registration of the Company's directors, the invitation letter and minutes of the Board of Directors Meeting, the invitation letter and minutes of the Shareholders Meeting, the Annual Report, shares holding report of directors and executives team and reports of conflicts of interest filed by directors and executives.
6. Perform any other acts as specified in the notification of the Capital Market Supervisory Board.

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

The Remuneration of Directors and Management

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

The directors' remunerations, which were approved by the 2015 Annual General Meetings of Shareholders on 10 April 2015, were summarized below:

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

Annual gratuity

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

Monetary remuneration

Unit: Baht

Name	Board of Directors		Audit Committee	
	2015	2014	2015	2014
Mr. Sanit Vorapunya	165,000	165,000	534,300	747,500
Mr. Sutham Malila	110,000	110,000	544,200	731,000
Ms. Nongram Laohaareedilok	110,000	88,000	531,000	684,800
Mr. Pongchai Amatanon	110,000	110,000	-	-
Mrs. Rangsee Lertripinyo	110,000	110,000	-	-
Mr. Kaelic Amatanon	110,000	110,000	-	-
Mrs. Matinee Wandeepirom	110,000	110,000	-	-
Mr. Boonya Tantipanichapun	110,000	110,000	-	-
Ms. Chonthicha Siripongpreeda	110,000	110,000	-	-
Mr. Patima Jeerapaet	22,000	-	150,000	-
Total	1,067,000	1,023,000	1,759,500	2,163,300

Management Remuneration	2015	2014	2013
Executive Remuneration (Million Baht)	58.28	58.26	49.35
Number of Executive Director (Persons)	14	15	12
Fringe Benefit	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance	Salary, Social Security Fund, Provident Fund, Bonus, gas and car maintenance
Other welfares	Executive transportation and mobile phone	Executive transportation and mobile phone	Executive transportation and mobile phone

Other remuneration

-None-

Human resource

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

The number of employees and remunerations

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

Item no.	Workplace	2014		2013		2012	
		Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)
1.	Forth Corporation Plc.	1,495	282.44	895	239.11	1,098	267.98
2.	Electronics Source Co., Ltd.	171	75.74	153	76.56	153	76.83
3.	Genius Traffic System Co.,	335	78.85	242	70.78	203	57.58
4.	JV Genius	30	8.72	30	10.43	37	9.68
5.	Forth Smart Service Plc.	176	47.22	148	40.51	129	31.81
6.	Forth Consulting Co., Ltd.	13	5.92	12	7.06	16	20.13
7.	Forth Alliance Co., Ltd.	-	-	1	0.37	-	-
8.	Forth Lighting Co., Ltd.	18	2.29	-	-	-	-
9.	Forth Meter Co., Ltd.	28	1.20	-	-	-	-
10.	Forth Vending Co., Ltd.	-	-	-	-	-	-
	Total	2,266	502.38	1,481	444.82	1,636	464.01

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

Other remunerations

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

Human resource development policy

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

Auditor's Remuneration

1) Audit Fees

The Company and its subsidiaries paid audit fees for 2015 to EY Office Limited amounting to Baht 3,634,500.

2) Non-Audit Fees

In 2015, the Company and its subsidiaries paid non-audit fees for the observation of inventory and asset destruction to EY Office Limited amounting to Baht 30,000.

Registered and paid-up capital

As at 31 December 2015, the Company has registered capital of Baht 480 million, consisting of 960 million ordinary shares with a par value of Baht 0.5 each. The Company's issued and paid-up capital is Baht 480 million, consisting of 960 million ordinary shares with a par value of Baht 0.5 each.

Shareholders

Top ten shareholders of the Company as at 10 March 2016 (Record Date) were as follows:

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
1	Amatanon family		521,883,100	54.36
	Mr.Pongchai Amatanon	366,744,400		
	Mrs.Rangsee Lerttripinyo	59,465,500		
	Mr.Kaelic Amatanon	57,924,000		
	Mrs.Wantana Amatanon	34,089,600		
	Mr.Sitthichok Amatanon	33,000		
	Mr.Pattanun Amatanon	389,000		
	Ms.Nisa Amatanon	166,300		
	Mr.Autsila Amatanon	187,700		
	Mr.Chavin Lerttripinyo	1,552,200		
	Ms.Rasinee Lerttripinyo	1,331,400		
2	Thongtang family		69,403,400	7.23
	Mr.Att Thongtang	17,350,850		
	Mr.Itti Thongtang	17,350,850		
	Ms. Vi-orn Thongtang	17,350,850		
	Mr.Attikhun Thongtang	17,350,850		
3	Siripongpreeda family		34,831,900	3.63
	Mr.Poonsak Siripongpreeda	32,431,900		
	Mr.Somruek Siripongpreeda	2,400,000		
4	Ninnoennon family		29,571,100	3.08
	Mr.Boonyong Ninnoennon	23,330,800		
	Ms.Boonyanit Ninnoennon	6,240,300		
5	Mrs.Matinee Wandeepirom		24,750,400	2.58
6	Tantipanichapun family		24,711,400	2.57
	Mr.Boonya Tantipanichapun	11,361,400		
	Mrs.Vipawan Tantipanichpun	13,350,000		

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
7	Sujjaboriboon family		18,519,400	1.93
	Mr.Thanin Sujjaboriboon	8,243,300		
	Mr.Vorakoon Sujjaboriboon	5,000,000		
	Mrs.Chuleeporn Sujjaboriboon	4,837,700		
	Mr.Thanet Sujjaboriboon	420,000		
	Mr.Kornsam Sujjaboriboon	18,400		
8	Pongrattanakul family		17,403,700	1.81
	Mr.Supat Pongrattanakul	17,223,700		
	Mr.Somchai Pongrattanakul	180,000		
9	Leelattheerakul family		14,720,000	1.53
	Mr.Kumthorn Leelattheerakul	14,710,000		
	Ms.Chittima Leelattheerakul	10,000		
10	Ms.Kananuch Lekvijit		11,846,000	1.23
	Others		192,359,600	20.05
	Total		960,000,000	100.00

Dividend policy

The Company has a policy to pay dividends to the shareholders at the rate of not less than 40% of the net profit after corporate income tax and accumulated loss brought forward (if any) in the separate financial statements. However, the Board of Directors may set the rate of dividend payout less than the one mentioned above depending on the operating performance, financial position, liquidity and the need to expand its operations as well as the working capital requirements.

Forth Smart Service Public Company Limited has a policy to pay dividends to the shareholders at the rate of not less than 40% of the net profit after corporate income tax and any reserves according to the subsidiary's Articles of Association or by law without any other necessities and such dividend payment has no significant affect on the subsidiary's operation.

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

Year	<u>2015</u>	<u>2014</u>	<u>2013</u>
Earnings per share (Baht per share)	0.59	0.51	0.18
Dividend per share (Baht per share)	0.32	0.30	0.27
Dividend payment rate (%)	54	59	150

Corporate Governance Policy

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

Compliance with the Principles of Good Corporate Governance

In 2015, the Company conformed to corporate governance principles in the following aspects:

Section 1

Rights of Shareholders

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

Arrangement of Annual General Meeting of Shareholders

The Company has arranged the 2015 Annual General Meeting (AGM) of Shareholders according to the regulations of the Stock Exchange of Thailand in accordance with the guidelines issued by the Security Exchange Commission and AGM Checklist. This checklist provides a convenient structured format for evaluating AGM arrangement. In the 2015 AGM, Thai Investor Association assessed the result of AGM of the Company which received the excellent level with scoring 100 points out of 100 points.

Meeting venue

Along with the Company's Articles, the Company is required to have an annual general meeting of shareholders within a period of 4 months from the end of the fiscal year. The 2013 Annual General Meeting of Shareholders was held on 10 April 2015 at 02.00 p.m., at the Company's head office, 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok.

Before the date of meeting

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

- Facts and the reasons along with the board comments and suggestion.

- The supporting documents e.g. directors' biography and definition of independent director in the director election agenda, details of remuneration of directors and sub committees for the directors' remuneration agenda.
- Detail of the Annual General Meeting and proxy processes, including a proxy form given to the independent directors identify the shareholder's resolution on voting.
- The Company respect shareholders' right to attend the 2014 Annual General Meeting of Shareholder and the agenda have not added or adjusted immediately without shareholder notice in advance.
- All of the information sent in document form was also posted on the Company's website (www.forth.co.th) at prior to the meeting date so that shareholders received the information in a convenient and timely manner.

At the date of meeting

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

- Encourage the Board of Directors and executives to clearly answer and consider all shareholders opinion and suggestion. In 2015, all directors (9 persons) attended the meeting, representing 100% of total board members.
- Arrange to ensure that the agenda sequence is on schedule set up in the meeting notices.
- Offer all shareholders in equity to give suggestions and ask questions within appropriate topics, and allowed directors in charge of the topics that were raised to clarify and provide complete information to shareholders. All the meeting process has to be recorded completely.
- Chairmen of the meeting offered all shareholders an adequate time frame and conduct meeting flow appropriately and transparently then allow shareholders to vote and counted voting formally and record in agenda resolution.
- The counting of votes was carried out in a transparent manner with vote counting cards. One share equals one vote, and approval of a resolution was based on the majority of votes. In the event of a tie vote, the chairman of the meeting should have a casting vote for judgment. Voting of special resolutions is to be complied with the Company's Articles, laws or regulations of related regulators.
- The shareholders, which have special benefits from any agenda, are not permitted to vote on that agenda.
- The Company hired outsource law advisor as inspector to review agenda resolution and voting results.

After the date of meeting

In 2015, 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).

Section 2

Equitable Treatment of Shareholders

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

a) Shareholders had the option to appoint proxies to the meeting.

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

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

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

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) or contact the Company directly.
2. The shareholders of the Company will be asked to confirm and approve the shareholder rights of the person who propose additional agenda with shareholder's registration at closing registration date. The criteria for shareholders to propose additional agenda of the Annual General Meeting of Shareholders is that matters have to creating material effect on the Company's business or operation. If the Board of directors consider the appropriateness of the agenda proposed by the shareholders, the propose agenda would be included as the meeting agenda together with the specification that the agenda has proposed by shareholder. For the disapproved matters, the Company will inform the shareholders for acknowledgement together on the Company's website.

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

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

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

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

d) Usage of inside information

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

Furthermore, the directors and the executives must report the change of Company's security holding to the Securities and Exchange Commission which based on the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand under Section 59 of the Act on Securities and Stock Exchange B.E. 2535. They acknowledged the punishment pursuant, also required to be disclosed is the change in ownership of assets by a spouse and 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 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 policy for employees, executives and people who perceive financial statements or other information, which could affect to the securities price of the Company, reveal to outsiders or irrelevant people and prohibit to trade securities for 1 month before financial statements or other information, which affect the price of securities, public announcement. The Company would punish relevant people who use the information to manipulate the Company's securities price.

f) The Investor Relation

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

Investor Relation Department

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

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

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

Email : investor@forth.co.th

Section 3

Roles of Stakeholders

The Company always consider the particular emphasis on the equal rights of all stakeholders i.e., shareholders, customers, employee, business partners, suppliers, and society as follow:

Shareholders

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

Employees

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

- Welfare and fringe benefit of employees
 1. Accident insurance
 2. Life and health insurance
 3. Provident Fund
 4. Subsidy money for the death of employee and their parents, spouse and children
 5. Employee's uniform and sport field for employee activities
 6. Annual New Year Party, Outing Trip and Sport Day
- Safety policy of employees

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

Customers

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

Forth Service Call Center

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

Tel: 0-2615-0606

Fax: 0-2615-0606 ext. 2199

Email: service@forth.co.th

Business Partners

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

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

Lender

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

Government agencies

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

Corporate social responsibilities

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

Environment

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

The mechanism of stakeholders' complaint

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

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

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

Corporate Secretary

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

Section 4

Disclosure and Transparency

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

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

Record of the Board of Directors' attendance at meetings in 2015

No.	Name	Attendance/Meeting
1.	Mr. Sanit Vorapunya	5/5
2.	Mr. Sutham Malila	5/5
3.	Ms. Nongram Laohaareedilok	4/5
4.	Mr. Pongchai Amatanon	5/5
5.	Mrs. Rangsee Lerttripinyo	5/5
6.	Mr. Kaelic Amatanon	5/5
7.	Mrs. Matinee Wandeepirom	5/5
8.	Mr. Boonya Tantipanichapun	5/5
9.	Ms. Chonticha Siripongpreeda	5/5
10.	Mr. Patima Jeerapaet ⁽¹⁾	1/1

Remark: (1) The Extraordinary General Meeting of Shareholders No.1/2015 approved the appointment of Mr. Patima Jeerapaet as a director of the Company on 21 August 2015.

Record of the Audit Committee's attendance at meetings in 2015

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

Record of the Nomination and Remuneration Committee's attendance at meetings in 2015

No.	Name	Attendance/Meeting
1.	Mr. Sutham Malila	2/2
2.	Ms. Nongram Laohaareedilok	2/2
3.	Mrs. Rangsee Lerttripinyo	2/2
4.	Mrs. Matinee Wandeepirom	2/2

Record of the Risk Management Committee's attendance at meetings in 2015

<u>No.</u>	<u>Name</u>	<u>Attendance/Meeting</u>
1.	Ms. Nongram Laohaareedilok	1/1
2.	Mr. Pongchai Amatanon	1/1
3.	Mrs. Rangsee Lertripinyo	1/1
4.	Mr. Boonya Tantipanichapun	1/1
5.	Mr. Chatchavin Pipatchotitham	1/1

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. The qualifications of the Company's independent directors are equivalent to the regulations of the Securities and Exchange Commission. Qualifications of independent director, name list and responsibility of the Board of Directors and selection process have been disclosed in section of "Management structure".

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

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

Sub-committees

The 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.

Code of conduct

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

Risk management policy

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

1. Preparation of risk management plan by each department to support the Company's master business plan and to cope with business risks for the Company's goal achievement.

2. Risk Management will be carried according to the plan mentioned above. Each responsible department has prioritized the risks by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined in conjunction with each department where as internal audit department undertaking role as risk coordinator and reviewer.
3. Risk Management countermeasures shall be implemented and regularly followed up by the Risk Management Committee comprising of each concerning management in a quarterly meeting as outlined in the risk management plan. All countermeasures shall be followed and reviewed by internal audit department to ensure that the final outcome is agreeable with the Company's proposed objectives.

Guide for remuneration of the directors and top executives

Determination of remuneration for directors are taken into consideration their duties, responsibilities and performance as well as the Company's performance. Additionally, it shall be considered in line with the industry standard. The Nomination and Remuneration Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.

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 performance of each top executive.

State term of service

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

Self-Assessment of the Board of Directors

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

Development of directors and managers

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

Succession Plan

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

The orientation of new directors

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

The Meeting of Non-Executive Directors

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

The policy of internal information usage

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

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

Corporate management and the management of subsidiaries and associates

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

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

Corporate Social Responsibility Policy

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

Good Corporate Governance

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

Business fairness

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

Observance of human rights

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

Fairness to employee

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

Responsibility to consumer

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

Community and society development

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

Environment preservation

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

Activities for society and environment benefit during 2015.

- Blood donation to Faculty of medicine at Siriraj hospital
- Awarding scholarships to students of Wat Na Hin Lad school and Wat Tha Maprang school, Nakhorn Nayok Province
- Medical devices offering to Pakplee hospital, Nakhorn Nayok Province
- Organizing the Children's day for 2015 at Ravin Home resort, Nakhorn Nayok Province
- Forest-Robe and lamp offering to Watpa Srithawonnimit, Nakhorn Nayok Province

Prevention of the involvement in corruption policy

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

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

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

At the Board of Directors meeting No.1/2016, held on 24 February 2016 with the Audit Committee's attendance, the Board of Directors assessed the internal control system by questioning information from management regarding the following five areas of the Company's internal control system: control environment, risk assessment, control activities, information and communication and monitoring activities. After consideration, the Board of Directors concluded that there is sufficient control system on business transaction with major shareholders, directors, management and their related persons. The control systems surrounding five areas are suitable and sufficient to safeguard the Company's assets from misappropriation used by management. The internal auditor could follow up and evaluate the internal control systems independently. In the past, there was no material deficiency in the Company's internal control systems. Furthermore, the Company also has document filing system for directors, auditors and the authorities to examine within suitable time frame. Furthermore, EY Office Limited, which is the Company's auditor for 2015, has assessed internal control effectiveness of the Company and concluded that there was no material deficiency in the Company's internal control system.

For internal control system in 2015, the internal auditor has examined 3 systems; repair system including its collection, installation system and spare part borrowed system. She also has followed up her recommendations of these processes. However, other systems would be rotated as appropriated to ensure consistency with business environment and prevent from risk factors that always happen. The audit result would be presented in the meetings of Audit Committee and the Board of Directors to consider for future improvement. In the audit of internal control system for 2015, the internal auditor concluded that there was no material deficiency in the internal control system.

Audit Committee report has shown on the 2015 Annual Report and the Appendix of the annual filing (Form 56-1).

Information about internal audit unit

The Company has established an internal audit department in 2014. On 19 February 2015, a meeting of the Board of Directors appointed Ms. Kanyarinnut Kantananun, internal audit manager, to perform the internal audit process. The internal auditor is responsible for evaluating the effectiveness and adequacy of internal control and monitoring the performance of the organization as well as its affiliates.

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

FORTH Connected transactions

During the year 2015, 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 2015 and 2014 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	2015	2014
<u>Expense</u>							
Purchase of goods/services	Forth Tracking System Co., Ltd.	X			X	0.14	0.41
Rental expense	Mr. Pongchai Amatanon Mrs. Rangsee Lerttripinyo Mrs. Punnee Siripongpreeda		X	X X X		1.02	1.17
Administrative expenses	Forth Tracking System Co., Ltd.	X			X	0.03	0.50
<u>Revenue</u>							
Sale of goods/ services	Forth Tracking System Co., Ltd. Mindmap Comtech Inc.	X X			X	11.65	6.63
Rental income	Forth Meter Co., Ltd. (*)	X			X	-	0.62
Interest income	Forth Meter Co., Ltd. (*)	X			X	-	0.68
Other income	Forth Meter Co., Ltd. (*)	X			X	0.06	0.79

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

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 from the Company. The price is set in accordance with market price and/or acquisition cost plus related expenses with the justified condition and reason.
Other income	The policy for sale of goods or services to the related parties is same as those of unrelated parties. Prices are negotiated with a view to achieving the reasonable price and condition.
Administrative expenses	The policy for purchase of goods or services from the related parties is same as those of unrelated parties. Prices are negotiated with a view to achieve the reasonable price and condition.

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

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

Overall operating performance of the Group

Unit: Million Baht

	2015	2014	Increase (decrease)	Variance (%)
Total revenues	5,128	4,373	755	17%
Net profit	460	338	122	36%

The Group had total revenues of Baht 5,128 million for 2015, which increased by Baht 755 million or 17% compared to the total revenues of Baht 4,373 million for 2014. The increasing was mainly due to the higher revenues from Related technology business and Retail business.

In 2015, the Group had net profit of Baht 460 million, which increased by Baht 122 million or 36% compared to the net profit of Baht 338 million for 2014. The increase was mainly due to the higher of gross profit margin in Related technology business and Retail business, resulting in higher net profit margin of the Group.

Analysis of revenues

	2015		2014		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from main business						
EMS business	1,318	26%	1,266	29%	52	4%
Telecommunication business	727	14%	918	21%	(191)	(21%)
Related technology business	1,388	27%	990	23%	398	40%
Retail business	1,588	31%	1,104	25%	484	44%
Total revenues from main business	5,021	98%	4,278	98%	743	17%
Other income	107	2%	95	2%	12	13%
Total revenues	5,128	100%	4,373	100%	755	17%

EMS business

In 2015, the Company generated revenue of Baht 1,318 million from EMS business, which increased by Baht 52 million or 4% comparing to those of the prior year. It has been resulted from the higher revenue from electronic sourcing business.

Telecommunication business

In 2015, the Company generated revenue of Baht 727 million from Telecommunication business, which decreased by Baht 191 million or 21% comparing to the prior year. The decrease was mainly due to no new project is worth over Baht 100 million in 2015.

Related technology business

In 2015, the Company generated revenues of Baht 1,388 million from Related technology business, which increased by Baht 398 million or 40% comparing to those of the prior year. The increase was caused by the revenue recognition of the Closed-Circuit Television (CCTV) procurement and installation in communities near floodgate in Bangkok, with the project value of Baht 497 million.

Retail business

In 2015, the Company generated revenue of Baht 1,588 million from Retail business, which increased by Baht 484 million or 44% comparing to those of the prior year. The top-up value via "Boonterm Kiosk" during 2015 was Baht 15,386 million, which increased by Baht 4,836 million or 46% comparing to the top-up value of Baht 10,550 million for 2014. As of 31 December 2015, the numbers of "Boonterm Kiosk" was 65,867 kiosks.

Gross Profit and Gross Profit Margin

	2015		2014		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
EMS business	277	21%	279	22%	(2)	(1%)
Telecommunication business	212	29%	212	23%	-	-
Related technology business	514	37%	368	37%	146	40%
Retail business	516	32%	343	31%	173	50%
Gross Profit	1,519	30%	1,202	28%	317	26%

EMS business

Gross profit and gross profit margin have not changed substantially compared to those of the previous year.

Telecommunication business

Gross profit has not significantly changed compared to gross profit of the prior year. However, gross profit margin increased by 6% from prior year because actual gross profit margin of DWDM (Dense Wavelength Division Multiplexing) project was higher than the estimate.

Related technology business

In 2015, the Company had gross profit of Baht 514 million, which increased by Baht 146 million or 40% comparing to the gross profit of Baht 368 million for 2014 due to the profit from DR site and CCTV projects.

Retail business

In 2015, the Company had gross profit of Baht 516 million, which increased by Baht 173 million or 50% comparing to the gross profit of Baht 343 million for 2014. The increase was caused by the advertising revenue and the efficient management of cost of services.

Expenses and expenses to revenues from main business

	2015		2014		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	122	2%	101	2%	21	21%
Administrative expenses	694	14%	657	15%	37	6%
Finance cost	101	2%	92	2%	9	10%
Income tax expenses	101	2%	46	1%	55	120%

Selling expenses

In 2015, the selling expense of Baht 122 million, which increased by Baht 21 million or 21% from 2014. It was mainly resulted from the marketing expenses of Forth Smart Service Public Co. Ltd ("FSMART") and commission fees for set top box project which starting in 4Q14.

Administrative expenses

In 2015, the Company had the administrative expense of Baht 694 million, which increased by Baht 37 million or 6% from the prior year while the administrative expense to revenues from main business were 14%, decreased from 15% in 2014 due to efficient control of expenses.

Finance cost

In 2015, the Company had the finance cost of Baht 101 million, which increased by Baht 9 million or 10% from the prior year. The increase was due to interest paid for loans used for project works and purchase of land and office building.

Income tax expenses

In 2015, the Company had the income tax expenses of Baht 101 million which increased by Baht 55 million or 120% from prior year. It was in line with the increasing profit.

Financial position

Assets

Unit: Million Baht

	31 December 2015	31 December 2014	Increase (decrease)	% Variance
Current assets	3,811	4,577	(766)	(17%)
Non-current assets	2,163	1,746	417	24%
Total assets	5,974	6,323	(349)	(6%)

As of 31 December 2015, the Group's total assets were Baht 5,974 million, decreased by Baht 349 million comparing to total assets as of 31 December 2014. The current assets decreased by Baht 766 million from the decreasing in current investments from one of subsidiaries and the decreasing in unbilled receivables while the non-current assets increased by Baht 417 million from the increasing of "Boonterm Kiosk".

The quality of assets

Trade account receivables

Unit: Million Baht

	Consolidated financial statements	
	31 December 2015	31 December 2014
Trade account receivables – unrelated parties	1,348	1,290
Less: Allowance for doubtful accounts	(45)	(63)
Trade account receivables - net	1,303	1,227

As of 31 December 2015 and 2014, the Group recorded the allowance for doubtful accounts, amounting to Baht 45 million and Baht 63 million, respectively. The Group's policy on allowance for doubtful accounts is based on past collection history, aging profile of outstanding debts and the prevailing economic condition. The management believed that allowance for doubtful accounts was adequate in the current circumstances.

Inventories

Unit: Million Baht

	Consolidated financial statements	
	31 December 2015	31 December 2014
Inventories	1,230	1,308
Reduce cost to net realisable value	(262)	(201)
Inventories - net	968	1,107

As of 31 December 2015 and 2014, the Group recorded the reduce cost to net realisable value amounting to Baht 262 million and Baht 201 million, respectively. The Group estimated net realisable value of inventories taking into the account fluctuations of price or cost directly related to events occurring after the end of the period and movements of inventories and the prevailing economic condition. The management believed that the reduce cost to net realisable value was adequate in the current circumstances.

Source of fund

Unit: Million Baht

	31 December 2015	31 December 2014	Increase (decrease)	% Variance
Current liabilities	3,184	3,669	(485)	(13%)
Non-current liabilities	283	359	(76)	(21%)
Total liabilities	3,467	4,028	(561)	(14%)
Total Shareholders' equity	2,506	2,295	211	9%

Liabilities

As of 31 December 2015, the Group's liabilities were Baht 3,467 million, which decreased by Baht 561 million or 14% comparing to the liabilities as of 31 December 2014. It was mainly due to the decrease of trade account payables and long-term loans from financial institutions. The Group could repay loan in accordance with the repayment schedule stipulated in the loan agreements.

Shareholders' equity

As of 31 December 2015, the Group's shareholders' equity was Baht 2,506 million, which increased by Baht 211 million or 9% comparing to the shareholders' equity as of 31 December 2014. It was mainly due to the increase of retained earnings.

The appropriate of capital structure

The Group's debt to equity ratio as of 31 December 2015 was 1.4:1 which decreased from the ratio as of 31 December 2014 at rate of 1.8:1. It was mainly due to the decrease of trade account payables, long-term loans from the financial institutions and the increase of retained earnings.

Liquidity

Cash flows

Unit: Million Baht

	2015	2014
Cash flows from (used in) operating activities	1,229	366
Cash flows from (used in) investing activities	(367)	(892)
Cash flows from (used in) financing activities	(690)	518

Cash flows from operating activities for 2015 were Baht 1,229 million, which increased by Baht 863 million. It was resulted from the increase of profit and the decrease of unbilled receivables.

Cash flows used in investing activities for 2015 were Baht 367 million, which decreased by Baht 525 million while the purchase of "Boonterm Kiosk" of one of subsidiaries increased by Baht 117 million because cash flows from fixed deposits withdrawal of its subsidiary by Baht 385 million for expanding business.

Cash flows used in financing activities for 2015 were Baht 690 million. It was mainly comprised of the repayments of short-term and long-term loans by Baht 294 million and dividend paid to the Company's shareholders of Baht 288 million as well as dividend paid to non-controlling interests of the subsidiary of Baht 143 million.

Liquidity ratios

The ratio of the current assets and current liabilities as of 31 December 2015 and 2014 were 1.2:1. This was the result of the changing rate in current assets to current liabilities related in the same direction and proportion.

Dear Shareholders,

Since the Company realizes the importance of risk management, the Risk Management Committee is established in 2015 which consists of 5 committees and executives of the Company with 1 independent director. The 5 Risk Management Committees have appointed a working group on risk management by inviting the executives from each section to work together to assess the risks in the operational and organizational level. In 2015, the risk management working group had held 8 meetings which the executives from each section have identified the risks and assess the impacts of them as well as set up the plan to lower the risks to the acceptable level. In 2015, the Company had concluded the overall of the risk into 4 categories as follow:

1. Sales risk
2. Operational risk
3. Financial risk
4. Managing and personnel risk

In the present the technology and communication have been changing so fast that it somehow affects the Company's core business. However, the Company has business strategies that can always cope with the change and also the Company has effective management on sales and operational risk. That is why the change does not have any impact on our business significantly and the Company still maintains its circulation and revenue for working capital and capital expenditure with low debt to equity ratio of 1.4:1. Thus, our enterprise does not have any financial risk at all. Moreover, the Company has practiced operational and organizational risk management by effective working group and management team as well as steady personnel development which support business operational to achieve the goal as aimed by the Company.

Due to the operation of risk management, the Risk Management Committee believes that the risk management of the Company will work effectively by good internal control system. Thus, the Company has supported and always emphasized on risk management continually.



(Ms. Nongram Laohaareedilok)

Chairman of the Risk Management Committee

Dear shareholders,

The Board of Directors had appointed the Nomination and Remuneration Committee in 2015 which consisted of 4 committees and the chairman of the Nomination and Remuneration Committee is an independent director.

The Nomination and Remuneration Committee performed their duties as assigned by the Board of Directors specified in the Charter of the Nomination and Remuneration Committee. The committee was supposed to nominate persons who were qualified for seating in the Board of Directors as well as the committee in the sub-committee bodies to which duties and responsibility were assigned directly from the Board of Directors and also the executives ranking up from the Assistant Managing Director as well as to remunerate of the Board of Directors and the executives ranking up from the Assistant Managing Director to propose to the Board of Directors.

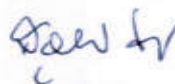
The Nomination and Remuneration Committee had set policy, criteria and process of work for guideline and framework which were approved by the Board of Directors as follow:

- To nominate the Board of Directors, committee of the sub-committees and the executives ranking up from the Assistant Managing Director, the Nomination and Remuneration Committee would do in consideration of knowledge, ability, skills, diverse experience and leadership as well as vision and good attitude to the organization which contributes to the operation of the enterprise. Also the Nomination and Remuneration Committee would consider the appropriate size, structure and composition of the Board of Directors in order to promote the good governance and enhance effective management in conformity of the official requirement and the changing environment.
- To remunerate for the Board of Directors and the executives ranking up from the Assistant Managing Director, the Nomination and Remuneration Committee would do in consideration of duty appropriateness, assigned responsibility and outcome of performance as well as outcome of operation, business environment and factors that might have impacts on the enterprise or overall economic situation.

In 2015, the Nomination and Remuneration Committee held 2 meetings to perform their duties assigned as stated above.

The Nomination and Remuneration Committee had approved to appoint Mr. Patima Jeerapaet to seat in the Board of Directors and as an independent director. Also the Nomination and Remuneration Committee had recommend the Board of Directors to report about the appointment in the Extraordinary General Meeting of Shareholders No.1/2015 on August 21, 2015 for the approval of the appointment of Mr. Patima Jeerapaet to seat in the Board of Director and independent committee.

The remuneration of directors and executives in 2015 as seen in this report, the Nomination and Remuneration Committee has considered that it is appropriate corresponding to the responsibility, policy and criteria of the Nomination and Remuneration Committee and the Board of Directors has already approved.



(Mr. Sutham Malila)

Chairman of the Nomination and Remuneration 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 2015, the Audit Committee had held five meetings with all three Audit Committee members attended all the five meetings as well as the external auditors, the management and the internal auditors to present the information and suggestions on related agendas and the resolutions of main discussions were:

1. To review the quarterly and annual financial report of 2015 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 2015.
6. To conduct a self-assessment for 2015, 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 2016, the Audit Committee has proposed for appointing EY Office Limited to pursue the Company's auditors same as the prior year since it is a reputable auditing firm and also is recognised best practice on auditing standards widely accepted. The appointment of the Company's auditor will be proposed to the Annual General Meeting of Shareholders for 2016 which will be held in April 2016 for next approval.

(Mr. Sutham Malila)
Chairman of Audit Committee

(Mr. Sanit Vorapanya)
Audit Committee

(Ms. Nongram Laohaareedilok)
Audit Committee

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 2015, 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

To the Shareholders of Forth Corporation Public Company Limited

I have audited the accompanying consolidated financial statements of Forth Corporation Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Forth Corporation Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forth Corporation Public Company Limited and its subsidiaries and of Forth Corporation Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Waraporn Prapasirikul

Certified Public Accountant (Thailand) No. 4579

EY Office Limited

Bangkok: 24 February 2016

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents		366,308,524	193,946,810	84,685,544	52,102,545
Current investments		-	385,000,000	-	-
Trade and other receivables	6, 7	1,455,310,265	1,328,831,250	1,044,494,610	943,662,687
Short-term loans to related parties	6	-	-	28,815,552	87,943,352
Unbilled receivables		598,799,298	1,156,962,597	95,185,059	242,379,090
Inventories	8	967,260,139	1,107,153,805	514,726,443	642,160,230
Other current assets		423,144,119	404,507,356	151,789,552	163,140,559
Total current assets		3,810,822,345	4,576,401,818	1,919,696,760	2,131,388,463
Non-current assets					
Restricted bank deposits	9	22,701,986	14,394,654	-	-
Investments in subsidiaries	10	-	-	498,491,470	462,491,500
Investments in associates	11	38,699,835	50,885,855	64,596,083	64,596,083
Property, plant and equipment	12	1,851,545,835	1,447,562,765	768,944,127	787,362,949
Intangible assets	13	20,406,748	13,148,950	8,708,496	10,365,649
Leasehold rights		19,402,905	20,527,814	19,402,905	20,527,814
Deferred tax assets	20	188,831,023	156,340,524	39,608,181	45,864,333
Other non-current assets		21,396,540	43,466,254	10,204,868	6,029,413
Total non-current assets		2,162,984,872	1,746,326,816	1,409,956,130	1,397,237,741
Total assets		5,973,807,217	6,322,728,634	3,329,652,890	3,528,626,204

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

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	14	1,644,159,700	1,825,626,952	641,107,295	722,163,208
Trade and other payables	6, 15	683,554,272	1,066,650,959	442,200,022	795,526,325
Current portion of long-term loans	16	217,039,502	245,643,333	172,039,502	139,093,333
Corporate income tax payable		65,887,041	17,758,007	29,071,014	-
Other current liabilities		573,857,240	513,555,896	46,162,182	143,954,957
Total current liabilities		3,184,497,755	3,669,235,147	1,330,580,015	1,800,737,823
Non-current liabilities					
Long-term loans, net of current portion	16	246,873,377	330,321,740	246,873,377	258,457,098
Provision for long-term employee benefits	17	35,221,356	28,133,189	14,673,762	11,789,825
Other non-current liabilities		926,274	-	-	-
Total non-current liabilities		283,021,007	358,454,929	261,547,139	270,246,923
Total liabilities		3,467,518,762	4,027,690,076	1,592,127,154	2,070,984,746
Shareholders' equity					
Share capital					
Registered					
960,000,000 ordinary shares of Baht 0.5 each		480,000,000	480,000,000	480,000,000	480,000,000
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
Retained earnings					
Appropriated - statutory reserve	18	48,000,000	48,000,000	48,000,000	48,000,000
Unappropriated		830,025,132	658,183,133	846,967,859	567,083,581
Other components of shareholder' equity		200,031,283	200,031,283	-	-
Equity attributable to owners of the Company		1,920,614,292	1,748,772,293	1,737,525,736	1,457,641,458
Non-controlling interests of the subsidiaries		585,674,163	546,266,265		-
Total shareholders' equity		2,506,288,455	2,295,038,558	1,737,525,736	1,457,641,458
Total liabilities and shareholders' equity		5,973,807,217	6,322,728,634	3,329,652,890	3,528,626,204

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

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Profit or loss:					
Revenues					
Sales		1,674,183,630	1,793,853,948	1,572,615,844	1,293,600,330
Services		2,017,415,001	1,487,931,564	316,352,443	310,713,507
Revenues from project work		1,329,904,349	995,644,759	658,993,568	653,317,241
Other income					
Dividend income		-	-	152,738,007	156,798,080
Gain (loss) on exchange		(1,598,611)	(3,835,534)	11,843,504	(3,123,747)
Others		107,157,020	99,762,173	38,601,880	43,499,423
Total revenues		5,127,061,389	4,373,356,910	2,751,145,246	2,454,804,834
Expenses					
Cost of sales		1,287,080,108	1,268,537,568	1,146,896,233	853,889,483
Cost of services		1,242,015,899	983,504,178	197,182,188	204,297,176
Cost of project work		972,874,011	823,628,235	418,502,889	530,834,985
Selling expenses		121,724,159	101,448,538	29,590,648	30,990,325
Administrative expenses		694,609,263	656,491,715	290,789,221	306,356,513
Loss from acquisition of share from non-controlling interests of the subsidiary		-	3,393,716	-	-
Total expenses		4,318,303,460	3,837,003,950	2,082,961,179	1,928,368,482
Profit before share of profit (loss) from investments in associates, finance cost and income tax expense		808,757,929	536,352,960	668,184,067	526,436,352
Share of profit (loss) from investments in associates	11.2	(227,575)	1,339,902	-	-
Profit before finance cost and income tax expenses		808,530,354	537,692,862	668,184,067	526,436,352
Finance cost		(101,417,654)	(92,353,323)	(45,801,499)	(28,827,208)
Profit before income tax expense		707,112,700	445,339,539	622,382,568	497,609,144
Income tax expenses	20	(100,642,635)	(46,342,610)	(54,498,290)	(8,580,435)
Profit for the year		606,470,065	398,996,929	567,884,278	489,028,709
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses		-	(6,935,900)	-	(4,264,366)
Less: Income tax effect	20	-	1,387,180	-	852,873
Other comprehensive income for the year		-	(5,548,720)	-	(3,411,493)
Total comprehensive income for the year		606,470,065	393,448,209	567,884,278	485,617,216

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

Statement of comprehensive income (continued)

Statement of comprehensive income (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit attributable to:					
Equity holders of the Company		459,841,999	337,912,898	567,884,278	489,028,709
Non-controlling interests of the subsidiaries		146,628,066	61,084,031		
		<u>606,470,065</u>	<u>398,996,929</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		459,841,999	332,418,367	567,884,278	485,617,216
Non-controlling interests of the subsidiaries		146,628,066	61,029,842		
		<u>606,470,065</u>	<u>393,448,209</u>		
Basic earnings per share	22				
Profit attributable to equity holders of the Company		<u>0.48</u>	<u>0.35</u>	<u>0.59</u>	<u>0.51</u>

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

FORTH Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Eaht)

	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		Capital surplus from changes in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
			Appropriated statutory reserve	Unappropriated						
Balance as at 1 January 2014	480,000,000	362,557,877	48,000,000	613,764,766	11,147,333	52,038,504	1,556,361,147	147,258,960	1,703,620,127	
Profit for the year	-	-	-	337,912,898	-	-	337,912,898	61,084,031	398,996,929	
Other comprehensive income	-	-	-	(5,494,531)	-	-	(5,494,531)	(54,189)	(5,548,720)	
Other comprehensive income for the year	-	-	-	332,418,367	-	-	332,418,367	61,029,842	393,448,209	
Subsidiaries' share capital increase	-	-	-	-	151,492,332	151,492,332	151,492,332	335,750,239	487,242,571	
Capital deficit from changes in shareholding in subsidiary	-	-	-	-	(3,489,553)	(3,489,553)	(3,489,553)	2,227,204	(1,272,349)	
Dividend payment (Note 25)	-	-	-	(288,000,000)	-	-	(288,000,000)	-	(288,000,000)	
Balance as at 31 December 2014	480,000,000	362,557,877	48,000,000	658,183,133	159,140,112	200,031,283	1,748,772,293	546,266,265	2,295,038,558	
Balance as at 1 January 2015	480,000,000	362,557,877	48,000,000	658,183,133	159,140,112	200,031,283	1,748,772,293	546,266,265	2,295,038,558	
Profit for the year	-	-	-	459,841,999	-	-	459,841,999	146,628,066	606,470,065	
Other comprehensive income for the year	-	-	-	459,841,999	-	-	459,841,999	146,628,066	606,470,065	
Issuance of ordinary shares of subsidiary (Note 10.1)	-	-	-	-	-	-	-	36,000,030	36,000,030	
Dividend payment (Note 25)	-	-	-	(288,000,000)	-	-	(288,000,000)	-	(288,000,000)	
Decrease in non-controlling interest of subsidiary from dividend payment of the subsidiary (Note 10.2)	-	-	-	-	-	-	-	(143,220,198)	(143,220,198)	
Balance as at 31 December 2015	480,000,000	362,557,877	48,000,000	830,025,132	159,140,112	200,031,283	1,920,814,292	585,674,163	2,506,488,455	

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

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

	Separate financial statements					(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total	
			Appropriated - Statutory reserve	Unappropriated		
Balance as at 1 January 2014	480,000,000	362,557,877	48,000,000	369,466,365	1,260,024,242	
Profit for the year	-	-	-	489,028,709	489,028,709	
Other comprehensive income for the year	-	-	-	(3,411,493)	(3,411,493)	
Total comprehensive income for the year	-	-	-	485,617,216	485,617,216	
Dividend payment (Note 25)	-	-	-	(288,000,000)	(288,000,000)	
Balance as at 31 December 2014	480,000,000	362,557,877	48,000,000	567,083,581	1,457,641,458	
Balance as at 1 January 2015	480,000,000	362,557,877	48,000,000	567,083,581	1,457,641,458	
Profit for the year	-	-	-	567,884,278	567,884,278	
Total comprehensive income for the year	-	-	-	567,884,278	567,884,278	
Dividend payment (Note 25)	-	-	-	(288,000,000)	(288,000,000)	
Balance as at 31 December 2015	480,000,000	362,557,877	48,000,000	846,967,859	1,737,525,736	

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

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	707,112,700	445,339,539	622,382,568	497,609,144
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	212,551,195	164,005,925	50,391,377	46,571,986
Amortisation for intangible assets	5,781,813	29,146,805	1,738,271	1,973,081
Amortisation for leasehold right and others	1,340,909	1,408,408	1,124,909	1,192,408
Write-off of equipment	5,656,205	8,548,343	20,000	10
Write-off of intangible assets	-	4,270	-	-
Doubtful accounts (reversal)	(21,184,461)	20,837,284	(14,615,131)	13,923,708
Write-off of bad debts	2,654,581	137,529	2,654,581	43,638
Write-off of withholding tax deducted at sources	431,499	27	-	-
Reduction of inventories to net realisable value	64,121,609	30,390,897	52,095,564	19,859,461
Expected loss from project work (reversal)	(2,421,786)	485,893	-	-
Loss from impairment of investment in subsidiary (reversal)	-	-	(509,700)	509,700
Reversal of impairment loss on equipment	(3,230,565)	(6,030,725)	-	-
Unrealised loss (gain) on exchange	(4,633,706)	3,632,727	(5,188,453)	3,624,589
Reversal of impairment loss on right to derive benefit from smart traffic boards	(2,029,621)	(24,355,454)	-	-
Loss from acquisition of share from non-controlling interest of subsidiary	-	3,393,716	-	-
Share of loss (profit) from investments in associates	227,575	(1,339,902)	-	-
Gain on sales of property, plant and equipment	(464,787)	(468,975)	(406,326)	(687,461)
Dividend income	-	-	(152,738,007)	(156,798,080)
Increase in provision for long-term employee benefits	7,218,078	5,989,864	3,013,848	2,481,291
Interest expenses	83,813,448	79,801,059	43,166,998	24,660,557
Profit from operating activities before changes in operating assets and liabilities	1,056,944,686	760,927,230	603,130,499	454,964,032
Operating assets (increase) decrease				
Trade and other receivables	(110,916,880)	(303,367,239)	(88,521,390)	(251,401,571)
Inventories	85,999,417	(448,421,568)	75,338,223	(290,909,954)
Unbilled receivables	561,481,025	(19,693,853)	147,194,031	(236,955,918)
Other current assets	9,068,704	(72,997,725)	11,477,471	(19,097,511)
Other non-current assets	21,853,714	(17,320,964)	(4,175,455)	13,199,341
Operating liabilities increase (decrease)				
Trade and other payables	(257,927,367)	408,582,091	(228,684,995)	434,347,586
Other current liabilities	59,972,051	221,655,891	(97,792,775)	100,595,451
Other non-current liabilities	(129,911)	(63,970)	(129,911)	(63,970)
Cash flows from operating activities	1,426,345,439	529,299,893	417,835,698	204,677,486
Cash paid for interest expenses	(84,205,504)	(79,700,350)	(43,096,301)	(24,619,316)
Cash paid for corporate income tax	(116,992,487)	(83,888,708)	(19,171,124)	(17,199,895)
Cash receipts from income tax	3,977,886	-	-	-
Net cash flows from operating activities	1,229,125,334	365,710,835	355,568,273	162,858,275

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

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Increase in restricted bank deposits	(8,307,332)	(1,199,858)	-	-
Decrease (increase) in current investments	385,000,000	(385,000,000)	-	-
Proceeds from sales of property, plant and equipment	855,302	7,741,410	429,654	4,986,715
Acquisition of property, plant and equipment	(630,682,994)	(514,466,971)	(32,015,882)	(256,926,037)
Payments of other payables for purchases of equipment	(120,000,000)	-	(120,000,000)	-
Acquisition of computer software	(5,631,990)	(2,533,964)	(81,118)	(2,282,214)
Increase in short-term loans to related parties	-	(1,800,000)	(101,872,200)	(112,338,352)
Cash receipts from short-term loans to related parties	-	-	161,000,000	41,000,000
Cash receipts from dividend of subsidiaries and associates	11,958,445	6,799,400	152,738,007	156,798,080
Cash receipts from acquisition of share from subsidiary	-	1,388,862	-	-
Increase in investments in subsidiaries	-	-	(35,999,970)	(152,999,700)
Increase in investments in associate	-	(3,399,700)	-	(3,399,700)
Write-off of investment in subsidiary	-	-	509,700	-
Net cash flows from (used in) investing activities	(366,808,569)	(892,470,821)	24,708,191	(325,161,208)
Cash flows from financing activities				
Decrease (increase) in bank overdrafts and short-term loans from financial institutions	(141,721,021)	355,962,637	(40,689,677)	316,684,494
Cash receipts from long-term loans	120,000,000	274,633,764	120,000,000	274,633,764
Repayments of long-term loans	(272,418,430)	(311,564,544)	(139,003,788)	(116,183,444)
Repayment of liabilities under finance lease agreement	(595,432)	-	-	-
Dividend paid	(288,000,000)	(288,000,000)	(288,000,000)	(288,000,000)
Dividend paid to non-controlling interests of the subsidiary	(143,220,198)	-	-	-
Proceeds from non-controlling interests of the subsidiaries for increase in the subsidiaries' share capital	36,000,030	500,000,000	-	-
Payment of expenses relating to the share offering of the subsidiary	-	(12,757,129)	-	-
Net cash flows from (used in) financing activities	(689,955,051)	518,274,728	(347,693,465)	187,134,814
Net increase (decrease) in cash and cash equivalents	172,361,714	(8,485,258)	32,582,999	24,831,881
Cash and cash equivalents at beginning of year	193,946,810	202,432,068	52,102,545	27,270,664
Cash and cash equivalents at end of year	366,308,524	193,946,810	84,685,544	52,102,545

Supplemental disclosures of cash flows information

Non-cash transactions

Purchases of property, plant and equipment

which have not yet been paid

Conversion of short-term loan to long-term loan

Transfer assets awaiting installation to intangible assets

Acquisition of motor vehicle under lease agreement

	-	120,000,000	-	120,000,000
	40,366,236	105,000,000	40,366,236	-
	5,378,000	-	-	-
	1,851,000	-	-	-

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

For the year ended 31 December 2015

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, Samsennai, Phayathai, Bangkok. The factory of the Company is at 77 Moo 11, Phuttamonton 5 Road, Raikhing, Sampran, Nakompratom.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholdings		Paid-up capital	
			2015	2014	2015	2014
			%	%	(Thousand Baht)	
Electronics Source Co., Ltd.	Trading of electronic parts	Thailand	100	100	50,000	50,000
Genius Traffic System Co., Ltd.	Sale and installation of light boards and traffic systems	Thailand	100	100	200,000	200,000
Joint Venture Genius	Concession for traffic board project	Thailand	100*	100*	71,050	71,050
Forth Smart Service Plc.	Payment service via automatic teller machines	Thailand	46	46	400,000	400,000
Forth Consulting Co., Ltd.	Consulting service for information management and computer software management	Thailand	100	100	10,000	10,000
Forth Alliance Co., Ltd.	Dissolution during 2015	Thailand	-	51	-	1,000
Forth Lighting Co., Ltd.	Manufacture and distribution of lamps and lighting equipment	Thailand	100	100	3,250	3,250
Forth Meter Co., Ltd.	Distribution of electronic meter	Thailand	85	85	40,000	40,000
Forth Vending Co., Ltd.	Management of vending machines	Thailand	50**	-	80,000	-

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

** 45% held by the Company and 10% held by Forth Smart Service Plc.

- 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 as from 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) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - f) 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.
 - g) 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

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

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

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

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

TFRS 10 Consolidated Financial Statements

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

This standard does not have any impact on the Company's and its subsidiaries' financial statements as the Company continues to present Forth Smart Service Public Company Limited as a subsidiary in the consolidated financial statements. Even though the Company's shareholding and voting rights in the subsidiary are only 46%, it is the shareholder with the most voting rights and has control over the subsidiary's key activities.

Moreover, during 2015, Forth Vending Company Limited was incorporated, with the Company holding 45% and Forth Smart Service Public Company Limited, one of the subsidiaries, holding 10% of its shares. The Company has control over the operating policies and its key activities and, 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.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

IFRS 12 Disclosure of Interests in Other Entities

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

IFRS 13 Fair Value Measurement

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

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

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 net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

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).

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 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	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.

4.8 Intangible assets and amortisation

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

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

Intangible assets with finite useful lives are as follows:

Right to derive benefit from smart traffic boards	9 years
Computer software	3,5,10 years

4.9 Related party transactions

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

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

4.10 Long-term leases

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

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 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 observable 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 46% 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.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Net realisable value of inventories

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

Property, plant and equipment / Depreciation

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

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

Intangible assets

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

Deferred tax assets

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

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

In determining estimated cost of project work, the management is required to make judgment regarding estimate cost and related expenses to be incurred to 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	
		financial statements		financial statements	
Transfer pricing policy		2015	2014	2015	2014
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Purchases of raw materials	Compared to market price	-	-	290	109
Purchases of goods	Agreed price	-	-	11	-
Sales of goods	Compared to market price	-	-	943	352
Service income	Agreed price	-	-	3	2
Other income	Agreed price	-	-	12	7
Dividend income	As declared	-	-	140	150
Interest income	Interest at 4.00 - 5.00 %				
	per annum	-	-	2	-
Rental income	Agreed price	-	-	8	7
Selling and administrative expenses	Agreed price	-	-	1	2
Cost of project work	Agreed price	-	-	1	-
<u>Transactions with associates</u>					
Sales of goods	Compared to market price	11	7	10	5
Other income	Agreed price	-	1	-	1
Dividend income	As declared	-	-	12	7
Interest income	Interest at 4.00 - 5.00% per				
	annum	-	1	-	1
Rental income	Agreed price	-	1	-	1
Selling and administrative expenses	Agreed price	-	1	-	-

(Unit: Million Baht)

		Consolidated		Separate	
		financial statements		financial statements	
Transfer pricing policy		2015	2014	2015	2014
<u>Transactions with directors and related individuals</u>					
Rental expenses	Agreed price	1	1	1	1

The balances of the accounts as at 31 December 2015 and 2014 between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
<u>Trade and other receivables - related parties (Note 7)</u>					
Subsidiaries		-	-	342,199	182,169
Associates		11,136	8,528	9,710	6,251
Total		11,136	8,528	351,909	188,420
<u>Trade and other payables - related parties (Note 15)</u>					
Subsidiaries		-	-	184,730	57,013
Associates		12,058	10,885	11,800	10,778
Directors		300	4,339	300	2,899
Total		12,358	15,224	196,830	70,690

Short-term loans to related parties

As at 31 December 2015 and 2014, the balance of short-term loans to related parties and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance			Balance
		as at	Increase	Decrease	as at
Relationship		31 December 2014	during the year	during the year	31 December 2015
<u>Genius Traffic System</u>					
Co., Ltd.	Subsidiary	60,000	100,000	(160,000)	-
Joint Venture Genius	Subsidiary	1,000	-	(1,000)	-
Forth Consulting Co., Ltd.	Subsidiary	8,538	1,872	-	10,410
Forth Meter Co., Ltd.	Subsidiary	18,405	-	-	18,405
		87,943	101,872	(161,000)	28,815

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Short-term employee benefits	56,700	57,128	31,475	35,077
Post-employment benefits	1,583	1,131	1,279	1,052
Total	58,283	58,259	32,754	36,129

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in note 26.4 to the financial statements.

7. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
<u>Trade accounts receivable - related parties</u>				
Age on the basis of due dates				
Not yet due	6,443	1,307	289,014	99,452
Past due				
Up to 3 months	130	824	34,740	12,093
3 - 6 months	-	4	6,093	17,577
6 - 12 months	369	-	4,184	15,260
Over 12 months	4,189	4,163	4,742	30,605
Total trade accounts receivable - related parties	11,131	6,298	338,773	174,987
<u>Trade accounts receivable - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	825,630	742,559	352,333	371,614
Past due				
Up to 3 months	173,714	362,852	66,028	282,393
3 - 6 months	76,133	10,749	68,873	5,239
6 - 12 months	133,277	58,662	125,581	49,585
Over 12 months	139,458	115,114	73,389	49,441
Total	1,348,212	1,289,936	686,204	758,272
Less: Allowance for doubtful debts	(45,099)	(62,966)	(10,377)	(24,993)
Total trade accounts receivable - unrelated parties, net	1,303,113	1,226,970	675,827	733,279
Total trade accounts receivable - net	1,314,244	1,233,268	1,014,600	908,266

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
<u>Other receivables</u>				
Accrued income	134,048	77,471	13,216	6,866
Less: Allowance for doubtful debts	(4,000)	(4,000)	-	-
Accrued income - net	130,048	73,471	13,216	6,866
Advances to unrelated parties	24,238	24,184	24,165	24,184
Less: Allowance for doubtful debts	(24,096)	(24,096)	(24,096)	(24,096)
Advances to unrelated parties - net	142	88	69	88
Other receivables - unrelated parties	13,091	21,994	5,694	17,230
Less: Allowance for doubtful debts	(2,220)	(2,220)	(2,220)	(2,220)
Other receivables unrelated parties - net	10,871	19,774	3,474	15,010
Advances to related parties	-	-	41	91
Other receivables - related parties	5	5	10,732	11,777
Accrued income - related parties	-	-	4	-
Interest receivables from related parties	-	2,225	2,359	1,565
Total other receivables - net	141,066	95,563	29,895	35,397
Total trade and other receivables - net	1,455,310	1,328,831	1,044,495	943,663

As at 31 December 2015, the balances of trade accounts receivable in the consolidated financial statements included an account receivable of Baht 23 million (2014: Baht 29 million) from Bangkok Trivision Company Limited. This balance has been outstanding in the subsidiary's book of account for a considerable period of time. The subsidiary has entered into an agreement with such company, whereby it will make monthly repayments to the subsidiary. The subsidiary determined the net realisable value of this account receivable and recorded an allowance for doubtful debts of Baht 4 million (2014: Baht 10 million) in its accounts.

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

8. Inventories

(Unit: Thousand Baht)

Consolidated financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Raw materials	408,556	467,902	(95,280)	(77,683)	313,276	390,219
Work in process	153,473	190,097	(21,774)	(15,895)	131,699	174,202
Finished goods	631,302	611,379	(145,348)	(104,702)	485,954	506,677
Goods in transit	2,285	12,334	-	-	2,285	12,334
Project in progress	34,046	26,144	-	(2,422)	34,046	23,722
Total inventories	1,229,662	1,307,856	(262,402)	(200,702)	967,260	1,107,154

(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Raw materials	304,972	336,902	(80,613)	(61,867)	224,359	275,035
Work in process	99,584	127,991	(4,753)	(4,500)	94,831	123,491
Finished goods	246,357	269,841	(76,993)	(43,897)	169,364	225,944
Goods in transit	60	9,054	-	-	60	9,054
Project in progress	26,112	8,636	-	-	26,112	8,636
Total inventories	677,085	752,424	(162,359)	(110,264)	514,726	642,160

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 62 million (2014: Baht 30 million) (The Company only: Baht 52 million and 2014: Baht 20 million), to reflect the net realisable value. This was included in cost of sales.

9. Restricted bank deposits

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

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	
	2015	2014	2015	2014	2015	2014	2015	2014
Electronics Source Co., Ltd.	54,976	54,976	-	-	54,976	54,976	20,000	30,000
Genius Traffic System Co., Ltd.	200,056	200,056	-	-	200,056	200,056	-	119,999
Joint Venture Genius	14,210	14,210	-	-	14,210	14,210	-	-
Forth Smart Service Plc.	183,000	183,000	-	-	183,000	183,000	120,780	-
Forth Consulting Co., Ltd.	7,000	7,000	-	-	7,000	7,000	-	-
Forth Alliance Co., Ltd.	-	510	-	(510)	-	-	-	-
Forth Lighting Co., Ltd.	3,250	3,250	-	-	3,250	3,250	-	-
Forth Meter Co., Ltd.	18,000	18,000	(18,000)	(18,000)	-	-	-	-
Forth Vending Co., Ltd.	36,000	-	-	-	36,000	-	-	-
Total	516,492	481,002	(18,000)	(18,510)	498,492	462,492	140,780	149,999

- (a) On 9 December 2014, the Extraordinary General Meeting of shareholders of Forth Alliance Company Limited (the Company's subsidiary) approved its dissolution and its dissolution was registered with the Ministry of Commerce on 11 December 2014. Subsequently, it registered the completion of its liquidation with the Ministry of Commerce on 10 November 2015.
- (b) Forth Vending Company Limited is incorporated on 2 November 2015 with a registered and paid-up share capital of Baht 80 million (8 million ordinary shares with a par value of Baht 10 each). The company is principally engaged in the management of vending machines. The Company holds 45% and Forth Smart Service Public Company Limited, one of the subsidiaries, holds 10% of that shares. The Company and the subsidiary have already paid-up share capital amounting to Baht 36 million and Baht 8 million, respectively.

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. The Company and its subsidiary are therefore the major shareholders, with more than half of shares, and have the ability to direct the significant activities. 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.

- (c) On 10 November 2015, a meeting of the Board of Directors of Forth Smart Service Public Company Limited, one of the subsidiaries, passed a resolution approving investment in the establishment of a subsidiary, to support the subsidiary's business expansion relating to online top-up machines both in distribution of goods and rendering of services, with a register share capital of Baht 1 million, 100% - held by the subsidiary. The subsidiary expects this company to be established during 2016.

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	
	2015 (%)	2014 (%)	2015	2014	2015	2014	2015	2014
Forth Smart Service Plc.	54	54	522.0	547.8	147.4	68.1	143.2	-
Forth Vending Co., Ltd.	50	-	35.7	-	(0.3)	-	-	-

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.	
	2015	2014	2015	2014
Current assets	720	901	81	-
Non-current assets	1,517	884	9	-
Current liabilities	1,218	702	11	-
Non-current liabilities	2	73	-	-

Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

	Forth Smart Service Plc.		Forth Vending Co., Ltd.	
	2015	2014	2015	2014
Revenue	1,684	1,163	0.4	-
Profit (loss)	272	153	(0.5)	-
Other comprehensive income	-	-	-	-
Total comprehensive income	272	153	(0.5)	-

Summarised information about cash flow

(Unit: Million Baht)

For the years ended 31 December

	Forth Smart Service Plc.		Forth Vending Co., Ltd.	
	2015	2014	2015	2014
Cash flow from operating activities	629	306	8	-
Cash flow used in investing activities	(275)	(682)	(9)	-
Cash flow from (used in) financing activities	(301)	354	80	-
Net increase (decrease) in cash and cash equivalents	53	(22)	79	-

11. Investments in associates

11.1 Details of associates:

Company's name (Nature of business)	Country of incorporation	Shareholding percentage	Consolidated financial statements				Separate financial statements			
			Cost		Carrying amounts based on equity method		Cost		Allowance for impairment of investments	
			2015	2014	2015	2014	2015	2014	2015	2014
Mindmap Commtech Inc. (Payment service via automatic teller machines)	Philippines	40	43,348	43,348	11,464	16,633	43,348	43,348	-	-
FPT Payment Technology JSC (Payment service via automatic teller machines - under dissolution process)	Vietnam	30	18,549	18,549	11,048	11,048	18,549	18,549	(7,500)	(7,500)
Forth Tracking System Co., Ltd. (Distribution of vehicle tracking equipment)	Thailand	34	10,199	10,199	16,188	23,205	10,199	10,199	-	-
Total			72,096	72,096	38,700	50,886	72,096	72,096	(7,500)	(7,500)
									64,596	64,596

(Unit: Thousand Baht)

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	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit/loss from		Dividend received	
	investments in associates		during the years	
	2015	2014	2015	2014
Forth Meter Co., Ltd.*	-	(3,818)	-	-
Mindmap Commtech Inc.	(5,169)	(2,524)	-	-
FPT Payment Technology JSC **	-	-	-	-
Forth Tracking System Co., Ltd.	4,941	7,682	11,958	6,799
Total	(228)	1,340	11,958	6,799

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

** The associate is in process of dissolution

11.3 Summarised financial information about material associates

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		(Unit: Million Baht)	
	31 December		31 December		31 December		31 December		Profit (loss)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Mindmap Commtech Inc.	150 (Million)	150 (Million)	97	90	51	36	139	207	(14)	(10)
	Pesos	Pesos								
FPT Payment Technology JSC**	42,000	42,000	40	40	1	1	-	-	-	-
	(Million)	(Million)								
	Vietnamese	Vietnamese								
	Dong)	Dong)								
Forth Tracking System Co., Ltd.	20	20	79	104	37	36	94	97	15	19

** The associate is in process of dissolution

Share of loss from investment in Mindmap Commtech Inc. for the year ended 31 December 2015 in the amount of Baht 5 million (2014: Baht 3 million), were calculated based on the financial statements, which were prepared by the management of that company and not audited by its auditor. However, the Company's management believed that the financial statements would not be materially different if they were audited by the auditors of the associate.

On 14 May 2015, a meeting of the Company's Board of Directors passed a resolution approving the acquisition of ordinary shares of Mindmap Commtech Inc. from those shareholders of that company who wished to sell their shares to the Company. The Company expects the shares to be sold to the Company during the year 2016.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Land improvement	Building	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction
Cost								Total
As at 1 January 2014	209,502	516	248,072	649,326	804,184	167,612	114,008	49,774
Additions	281,312	-	6,917	28,033	221,402	14,139	13,226	69,438
Equipment of subsidiary acquired during the year	-	-	82	-	11,143	3,009	1	-
Disposals/written-off	(1,937)	-	(1,050)	(4,120)	(23,359)	(2,090)	(6,594)	(23)
Transferred in/ (Transferred out)	-	-	60,020	-	-	1,735	1,001	(62,756)
As at 31 December 2014	488,877	516	314,041	673,239	1,013,370	184,405	121,642	56,433
Additions	-	-	2,096	6,017	572,934	12,714	5,405	33,366
Disposals/written-off	-	-	(180)	(7,900)	(14,265)	(2,169)	-	(20)
Transferred in/ (Transferred out)	-	-	11,716	-	-	7,979	430	(20,125)
Transfer assets to intangible assets	-	-	-	-	-	-	-	(5,378)
Transfer to inventories	-	-	-	-	(33,783)	-	-	(1,802)
As at 31 December 2015	488,877	516	327,873	671,356	1,538,256	202,929	127,477	62,474
								3,419,558

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Land improvement	Building	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total
Accumulated depreciation									
As at 1 January 2014	-	37	144,311	573,702	338,801	105,383	81,836	-	1,244,070
Depreciation for the year	-	26	13,462	15,198	101,468	22,493	11,359	-	164,006
Depreciation of equipment of subsidiary acquired during the year	-	-	36	-	10,720	2,574	1	-	13,331
Depreciation on disposals	-	-	-	(4,117)	(14,718)	(900)	(3,617)	-	(23,352)
As at 31 December 2014	-	63	157,809	584,783	436,271	129,550	89,579	-	1,398,055
Depreciation for the year	-	25	14,676	16,300	149,120	21,652	10,778	-	212,551
Depreciation on disposals	-	-	(180)	(7,896)	(8,523)	(1,890)	-	-	(18,489)
Depreciation on assets transferred to inventories	-	-	-	-	(27,780)	-	-	-	(27,780)
As at 31 December 2015	-	88	172,305	593,187	549,088	149,312	100,357	-	1,564,337
Impairment of equipment									
As at 1 January 2014	-	-	-	-	12,937	-	-	-	12,937
Additions during the year	-	-	-	-	7,738	-	-	-	7,738
Decrease during the year	-	-	-	-	(13,749)	-	-	-	(13,749)
Disposal/written-off	-	-	-	-	(20)	-	-	-	(20)
As at 31 December 2014	-	-	-	-	6,906	-	-	-	6,906
Additions during the year	-	-	-	-	4,038	-	-	-	4,038
Decrease during the year	-	-	-	-	(7,269)	-	-	-	(7,269)
As at 31 December 2015	-	-	-	-	3,675	-	-	-	3,675

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Land improvement	Building	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total
Net book value									
As at 31 December 2014	488,877	453	156,232	88,456	570,193	54,855	32,063	56,433	1,447,562
As at 31 December 2015	489,877	428	155,368	78,169	985,493	53,617	27,120	62,474	1,851,546
Depreciation for the years									
2014 (Baht 31 million included in manufacturing cost, and the balance in selling and administrative expenses)									164,006
2015 (Baht 30 million included in manufacturing cost, and the balance in selling and administrative expenses)									212,551

(Unit: Thousand Baht)

Separate financial statements

	Land	Land improvement	Building	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total
Cost									
As at 1 January 2014	194,295	516	242,020	603,898	121,725	80,513	59,001	41,909	1,343,877
Additions	279,997	-	2,478	13,134	23,984	4,723	-	52,610	376,926
Disposals	(1,937)	-	(1,050)	(4,115)	(5,565)	(515)	(3,056)	-	(16,238)
Transferred in/ (Transferred out)	-	-	58,370	-	-	3,355	1,001	(62,726)	-
As at 31 December 2014	472,355	516	301,818	612,917	140,144	88,076	56,946	31,793	1,704,565
Additions	-	-	334	3,547	22,828	4,637	-	670	32,016
Disposals	-	-	(180)	(7,887)	(511)	(759)	-	(20)	(9,357)
Transferred in/ (Transferred out)	-	-	240	-	-	11	-	(251)	-
As at 31 December 2015	472,355	516	302,212	608,577	162,461	91,965	56,946	32,192	1,727,224
Accumulated depreciation									
As at 1 January 2014	-	37	139,333	540,122	91,666	57,176	54,235	-	882,569
Depreciation for the year	-	26	12,925	9,429	11,313	10,493	2,386	-	46,572
Depreciation on disposals	-	-	-	(4,115)	(5,482)	(382)	(1,959)	-	(11,938)
As at 31 December 2014	-	63	152,258	545,436	97,497	67,287	54,662	-	917,203
Depreciation for the year	-	25	13,463	9,913	16,605	8,878	1,507	-	50,391
Depreciation on disposals	-	-	(180)	(7,887)	(501)	(746)	-	-	(9,314)
As at 31 December 2015	-	88	165,541	547,462	113,601	75,419	56,169	-	958,280
Net book value									
As at 31 December 2014	472,355	453	149,560	67,481	42,647	20,789	2,284	31,793	787,362
As at 31 December 2015	472,355	428	136,671	61,115	48,860	16,546	777	32,192	768,944
Depreciation for the years									
2014 (Baht 24 million included in manufacturing cost, and the balance in selling and administrative expenses)									46,572
2015 (Baht 23 million included in manufacturing cost, and the balance in selling and administrative expenses)									50,391

As at 31 December 2015, 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 809 million (2014: Baht 775 million) (the Company only: Baht 713 million (2014: Baht 705 million)).

As at 31 December 2015, the Company and its subsidiaries had motor vehicles and equipment under finance lease agreements with net book value amounting to Baht 3 million (2014: Baht 2 million) (the Company only: Nil (2014: Nil)).

13. Intangible assets

The net book value of intangible assets as at 31 December 2015 and 2014 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		Separate financial statements
	Right to derive benefit from smart traffic boards	Computer software	Computer software
As at 31 December 2015:			
Cost	234,865	35,530	270,395
Less: Write-off	-	-	-
Less: Amortisation	(234,865)	(15,123)	(249,988)
Less: Impairment	-	-	-
Net book value	-	20,407	20,407
As at 31 December 2014:			
Cost	234,865	24,491	259,356
Acquisitions of subsidiary during the year	-	33	33
Less: Write-off	-	(4)	(4)
Less: Amortisation	(232,652)	(11,539)	(244,191)
Less: Accumulated amortisation of computer software of subsidiary acquired during the year	-	(15)	(15)
Less: Impairment	(2,030)	-	(2,030)
Net book value	183	12,966	13,149

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	13,149	15,392	10,366	10,057
Acquisition of computer software	5,632	2,534	81	2,282
Computer software of subsidiary acquired during the year	-	33	-	-
Transfer assets awaiting installation to intangible assets	5,378	-	-	-
Write-off of computer software	-	(4)	-	-
Amortisation	(5,782)	(29,146)	(1,738)	(1,973)
Amortisation of computer software of subsidiary acquired during the year	-	(15)	-	-
Reversal of impairment loss	2,030	24,355	-	-
Net book value at end of year	20,407	13,149	8,709	10,366

In 2006, Joint Venture Genius ("the joint venture") received the right to derive benefit from the smart traffic boards from the Bangkok Metropolitan Authority (BMA) for a period of 3 years, during which time the joint venture was to pay remuneration of approximately Baht 5 million per annum to the BMA. The agreement also stipulated that if the joint venture were able to comply with all terms and conditions of the agreement, the BMA would consider granting an option to extend the agreement twice, for a period of 3 years each time, and that increased in the annual remuneration would be decided based on the terms stipulated in the agreement. However, the joint venture has already renewed the agreement twice, and the agreement terminated in 2015. Currently, the BMA considered to extend the agreement annually.

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

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Bank overdrafts	MOR	7,363	1,518	-	-
Short-term loans from financial institutions	2.30 - 4.35, MMR, refer to MLR	1,588,290	1,697,546	592,600	595,600
Trust receipts	MMR, refer to MLR	48,507	126,563	48,507	126,563
Total		1,644,160	1,825,627	641,107	722,163

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 26.4 to the financial statements.

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables - related parties	12,058	10,778	196,353	67,717
Trade payables - unrelated parties	478,698	780,470	192,585	547,553
Other payables - related parties	-	107	-	7
Other payables - unrelated parties	50,110	161,912	17,603	141,669
Accrued expenses - unrelated parties	142,388	109,045	35,182	35,614
Accrued expenses - related parties	-	-	177	67
Accrued expenses - directors	300	4,339	300	2,899
Total trade and other payables	683,554	1,066,651	442,200	795,526

16. Long-term loans

Loan	Borrower	Lender	Loan Facility (Million Baht)	Interest rate	Repayment schedule	Consolidated financial statements		Separate financial statements	
						2015	2014	2015	2014
(1)	The Company	Local bank	160	First year: MLR - 1.25% per annum Second to fourth years: MLR - 1.00% per annum	16 quarterly installments (ending in 2017)	8,250	13,750	8,250	13,750
(2)	The Company	Local bank	100	First year: MLR - 2.25% per annum Second year: MLR - 1.25% per annum Third year: MLR - 1.00% per annum	12 quarterly installments (ending in 2016)	33,333	66,666	33,333	66,666
(3)	The Company	Local bank	50	First year: MLR - 2.25% per annum Second year: MLR - 1.25% per annum Third year: MLR - 1.00% per annum	20 quarterly installments (ending in 2018)	32,500	42,500	32,500	42,500
(4)	The Company	Local bank	150	First year: MLR - 2.25% per annum Second year: MLR - 1.25% per annum Third year: MLR - 1.00% per annum	12 quarterly installments (ending in 2017)	95,455	109,634	95,455	109,634
(5)	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)	249,375	165,000	249,375	165,000
(6)	Electronics Source Co., Ltd.	Local bank	12	MLR - 1.00% per annum	60 monthly installments (ending in 2015)	-	1,600	-	-
(7)	Electronics Source Co., Ltd.	Local bank	30	3.00% per annum	36 monthly installments (ending in 2015)	-	4,950	-	-
(8)	Forth Smart Service Plc.	Local bank	80	MLR - 1.5% per annum	36 monthly installments (ending in 2016)	-	36,031	-	-

Loan	Borrower	Lender	Loan Facility (Million Baht)	Interest rate	Repayment schedule	(Unit: Thousand Baht)			
						Consolidated financial statements		Separate financial statements	
						2015	2014	2015	2014
(9)	Forth Smart Service Plc.	Local bank	120	MLR - 1.0% per annum	36 monthly installments (ending in 2016)	45,000	90,000	-	-
(10)	Forth Smart Service Plc.	Local bank	50	MLR - 1.0% per annum	24 monthly installments (ending in 2016)	-	45,834	-	-
Total						463,913	575,965	418,913	397,550
Less: Current portion of long-term loans						(217,040)	(245,643)	(172,040)	(139,093)
Long-term loans - net of current portion						246,873	330,322	246,873	258,457

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 no. (8), (9) and (10), 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.

17. Provision for long-term employee benefits

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Provision for long-term employee benefits at				
beginning of year	28,133	14,918	11,790	5,108
Included in profit or loss:				
Current service cost	5,617	4,710	2,340	1,943
Interest cost	1,601	1,280	674	539
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	-	6,936	-	4,264
Actuarial losses from subsidiary acquired during				
the year	-	353	-	-
Benefits paid during the year	(130)	(64)	(130)	(64)
Provision for long-term employee benefits at				
end of year	35,221	28,133	14,674	11,790

Long-term employee benefit expenses for the year ended 31 December 2015 and 2014 recognised in selling and administrative expenses in the profit or loss.

The Company and its subsidiaries expect to pay Baht 3.6 million of long-term employee benefits during the next year (Separate financial statements: Nil) (2014: Baht 0.1 million, separate financial statements: Baht 0.1 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 20 - 28 years (Separate financial statements: 25 years) (2014: 20 - 28 years, Separate financial statements: 25 years).

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.6 - 4.8	4.6 - 4.8	4.8	4.8
Salary increase rate	5.0 - 11.8	5.0 - 11.8	5.0	5.0
Staff turnover rate	5.0 - 62.5	5.0 - 62.5	5.0 - 27.3	5.0 - 27.3

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	(1,871)	1,993	(819)	849
(Increase/Decrease 0.50%)				
Salary increase rate	4,847	(4,189)	2,080	(1,825)
(Increase/Decrease 1%)				
Staff turnover rate	(2,804)	3,220	(1,590)	1,818
(Increase/Decrease 10%)				

18. 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.

19. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salaries and wages and other employee benefits	605,435	555,915	333,234	315,384
Depreciation	212,551	164,006	50,391	46,572
Amortisation	7,123	30,555	2,863	3,165
Raw materials and consumables used	1,710,977	1,001,813	1,293,303	903,019
Changes in finished goods and work in progress	8,799	(243,231)	34,415	(158,213)

20. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge	125,481	47,466	40,217	-
Adjustment in respect of income tax of previous year	7,652	-	8,025	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(32,490)	(4,312)	6,256	8,580
Effects of income tax related to the share offering of subsidiary	-	3,189	-	-
Income tax expenses reported in the statement of comprehensive income	100,643	46,343	54,498	8,580

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax relating to actuarial losses	-	1,387	-	853

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

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit before tax	707,113	445,340	622,383	497,609
Applicable tax rate (%)	20	20	20	20
Accounting profit before tax multiplied by applicable tax rate	141,423	89,068	124,477	99,522
Adjustment in respect of income tax of previous year	7,652	-	8,025	-
Effects of:				
Promotional privileges (Note 21)	(47,430)	(25,680)	(47,430)	(25,680)
Non-deductible expenses	1,920	8,216	32	3,693
Additional expense deductions allowed	(375)	(1,268)	(137)	(1,268)
Tax-exempted revenue	-	-	(30,548)	(31,359)
Utilisation of previously unrecognised tax losses	(6,863)	(16,044)	-	(16,044)
Recognised previously tax losses	-	(20,284)	-	(20,284)
Unused tax losses of current year	2,530	11,474	-	-
Others	1,786	861	79	-
Total	(48,432)	(42,725)	(78,004)	(90,942)
Income tax expenses reported in the statement of comprehensive income	100,643	46,343	54,498	8,580

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	4,713	5,559	973	479
Allowance for diminution in value of inventories	51,392	38,683	32,472	22,052
Allowance for asset impairment	789	1,601	-	-
Unrealised profit from inter-sales transactions	108,279	64,557	-	-
Provision for long-term employee benefits	6,909	5,510	2,935	2,358
Provisions	3,228	691	3,228	691
Unused tax losses	13,521	39,740	-	20,284
Total	188,831	156,341	39,608	45,864

As at 31 December 2015, the subsidiaries have unused tax losses totaling Baht 70 million (2014: Baht 57 million) (the Company only: Nil (2014: 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 2020.

21. Promotional privileges

The Company has received various tax privileges under the Investment Promotion Act B.E. 2520 from the Board of Investment (BOI) pursuant to the investment promotion certificates No. 2040(4)/2549 and 3010/Wor/2545. Subject to certain imposed conditions, the privileges include an income tax exemption on profit derived from the promoted operations for a period of 8 years from the date the promoted operations begin generating revenues (August 2006) and an exemption from import duty on imported raw materials and supplies used in production for export. The corporate income tax privileges of these were expired in August 2014. Subsequently, the Company received various tax privileges from the Board of Investment (BOI) pursuant to the investment promotion certificates 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.

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 2015, 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. However, as at 31 December 2015, the subsidiary has not generated revenues from promoted operation.

The Company's operating revenues for the years ended 31 December 2015 and 2014, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements						
	Promoted operations		Non-promoted operations		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Sales	32,672	101,080	1,641,512	1,692,774	1,674,184	1,793,854
Services	-	-	2,017,415	1,487,932	2,017,415	1,487,932
Revenues from project work	-	15,058	1,329,904	980,587	1,329,904	995,645
Other income	-	-	105,558	95,926	105,558	95,926
Total revenues	32,672	116,138	5,094,389	4,257,219	5,127,061	4,373,357

(Unit: Thousand Baht)

Separate financial statements						
	Promoted operations		Non-promoted operations		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Sales	805,722	387,150	766,894	906,450	1,572,616	1,293,600
Services	-	-	316,352	310,714	316,352	310,714
Revenues from project work	-	15,058	658,994	638,259	658,994	653,317
Other income	-	-	203,183	197,174	203,183	197,174
Total revenues	805,722	402,208	1,945,423	2,052,597	2,751,145	2,454,805

22. Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Profit for the year (Thousand Baht)	459,842	337,913	567,884	489,029
Weighted average number of ordinary shares (Thousand shares)	960,000	960,000	960,000	960,000
Earnings per share (Baht per share)	0.48	0.35	0.59	0.51

23. Segment information

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

- 1) Electronics manufacturing service business is a business segment which designs, manufactures or consigns and turnkey projects, and sales of semiconductor electronic parts which is raw material to produce print circuit boards.
- 2) Telecommunication business is a business segment which designs the network to serve both Narrowband (voice related services) and Broadband (Internet related services) through both copper wire and optical fiber cable network, including sales of telecommunication exchange equipment, equipment for the Multi Service Access Node (MSAN), WDM Access Switch, and Call Center system.
- 3) 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 2015 and 2014, respectively.

(Unit: Million Baht)

Consolidated financial statements for the years ended 31 December

	Electronics		Telecommunication		Related technology		Retail business ⁴⁾		Elimination of inter-		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues from external customers	1,318	1,266	727	918	1,388	990	1,588	1,104	-	-	5,021	4,278
Intersegment revenues	412	181	798	287	252	74	-	-	(1,462)	(542)	-	-
Total revenues	1,730	1,447	1,525	1,205	1,640	1,064	1,588	1,104	(1,462)	(542)	5,021	4,278
Segment operating profit	277	279	212	212	514	368	516	343	-	-	1,519	1,202
Unallocated income (expenses):												
Other income											106	95
Selling expenses											(122)	(101)
Administrative expenses											(694)	(657)
Loss from acquisition of share from non-controlling interests of the subsidiary											-	(3)
Share of profit (loss) from investments in associates											-	1
Finance cost											(101)	(92)
Income tax expenses											(101)	(46)
Profit for non-controlling interests of the subsidiaries											(147)	(61)
Profit for the years attributable to equity holders of the Company											460	338

Segment assets of the Company and its subsidiaries as at 31 December 2015 and 2014 were as follows:

														(Unit: Million Baht)	
Segment total assets	Electronics manufacturing service business ¹⁾		Telecommunication business ²⁾		Related technology business ³⁾		Retail business ⁴⁾		Unallocated assets		Adjustments and eliminations		Total		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014			
Property, plant and equipment	42	36	-	-	-	76	69	1,500	872	769	787	(536)	(316)	1,851	1,448
Other assets	741	556	-	-	-	1,141	2,327	827	913	2,561	2,741	(1,147)	(1,662)	4,123	4,875
Total assets	783	592	-	-	-	1,217	2,396	2,327	1,785	3,330	3,528	(1,683)	(1,978)	5,974	6,323

Geographic information

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

Major customers

For the year 2015, the Company and its subsidiaries have revenue from two major customers in amount of Baht 458 million and Baht 585 million, arising from sales by telecommunication business and related technology business segments (2014: Baht 394 million and Baht 303 million derived from two major customers, arising from sales by telecommunication business and related technology business segments).

24. 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 2015 amounting to approximately Baht 7 million (2014: Baht 6 million) (the Company only: Baht 4 million (2014: Baht 4 million)) were recognised as expenses.

25. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
Final dividends for 2014	2015 Annual General Meeting of the shareholders on 10 April 2015	144	0.15
Interim dividend paid from profit for the six-month period ended 30 June 2015	The Board of Directors' Meeting on 11 August 2015	144	0.15
Total for 2015		288	0.30
Final dividends for 2013	2014 Annual General Meeting of the shareholders on 18 April 2014	144	0.15
Interim dividend paid from retained earnings and profit for the nine-month period ended 30 September 2014	The Board of Directors' Meeting on 13 November 2014	144	0.15
Total for 2014		288	0.30

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2015, the Company and its subsidiaries had capital commitments of approximately Baht 52 million (2014: Baht 11 million), relating to the acquisition of land with construction thereon and construction of buildings.

26.2 Operating lease and related service commitments

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

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

(Unit: Million Baht)		
As at 31 December		
Payable within :	2015	2014
In up to 1 year	17	24
In over 1 and up to 5 years	25	32
In over 5 years	80	86

- 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:	2015	2014
In up to 1 year	6	6
In over 1 and up to 5 years	22	22
In over 5 years	10	11

26.3 Other commitments

As at 31 December 2015, the Company had commitments amounting to USD 4 million and JPY 27 million in relation to the agreements to purchase of goods.

26.4 Guarantees

- (a) The Company has guaranteed loan and credit facilities of its subsidiaries amounting to Baht 1,226 million (2014: Baht 1,410 million).
- (b) As at 31 December 2015, there were outstanding bank guarantees amounting to approximately Baht 542 million (2014: Baht 526 million) issued by banks on behalf of the Company and its subsidiaries, of which Baht 279 million (2014: Baht 248 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.

27. Fair value hierarchy

As at 31 December 2015, 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			
	Level 1	Level 2	Level 3
Assets measured at fair value			
Foreign currency forward contracts	-	3	-
(Unit: Million Baht)			
Separate Financial Statements			
	Level 1	Level 2	Level 3
Assets measured at fair value			
Foreign currency forward contracts	-	2	-

During the current period, there were no transfers within the fair value hierarchy.

28. Financial instruments

28.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise cash and cash equivalents, current investments, trade and other receivables, unbilled receivables, loans, trade and other payables, bank overdrafts and short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed 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 management manages the risk by adopting appropriate credit control policies to ensure that services are provided only to customers with a suitable credit history. However, the Company and its subsidiaries have a significant concentration of credit risk due to its exposure to debtors of project work. The major debtors of project work are the authorities. In addition, some subsidiaries, have a large customer base. The management believes that such concentration of credit risk will have no material impact. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

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

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2015

	Fixed interest rates					Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	226	140	366	0.10 - 1.00
Trade and other receivables	-	-	-	-	1,455	1,455	-
Unbilled receivables	-	-	-	-	599	599	-
Restricted bank deposits	9	-	-	14	-	23	0.38 - 1.38
	9	-	-	240	2,194	2,443	
Financial liabilities							
Bank overdrafts and short- term loans from financial institutions	1,637	-	-	7	-	1,644	2.30 - 3.14, refer to MOR
Trade and other payables	-	-	-	-	683	683	-
Long-term loans	-	-	-	464	-	464	Refer to MLR
	1,637	-	-	471	683	2,791	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2014

	Fixed interest rates					Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	103	90	193	0.10 - 0.50
Current investments	385	-	-	-	-	385	2.80 - 2.85
Trade and other receivables	-	-	-	-	1,329	1,329	-
Unbilled receivables	-	-	-	-	1,157	1,157	-
Restricted bank deposits	13	-	-	-	1	14	1.13 - 1.50
	398	-	-	103	2,577	3,078	
Financial liabilities							
Bank overdrafts and short- term loans from financial institutions	1,824	-	-	2	-	1,826	2.60 - 4.35, refer to MOR
Trade and other payables	-	-	-	-	1,067	1,067	-
Long-term loans	1	-	-	575	-	576	3.00, refer to MLR
	1,825	-	-	577	1,067	3,469	

(Unit: Million Baht)

Separate financial statements as at 31 December 2015

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	44	41	85	0.10 - 1.00
Trade accounts and other receivables	-	-	-	-	1,044	1,044	-
Short-term loans to related parties	29	-	-	-	-	29	4.00 - 5.00
Unbilled receivables	-	-	-	-	95	95	-
	29	-	-	44	1,180	1,253	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	641	-	-	-	-	641	2.30 - 3.10
Trade and other payables	-	-	-	-	442	442	-
Long-term loans	-	-	-	419	-	419	Refer to MLR
	641	-	-	419	442	1,502	

(Unit: Million Baht)

Separate financial statements as at 31 December 2014

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

Foreign currency risk

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

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

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.6	3.0	5.0	9.0	36.0886	32.9630
Hong Kong dollar	-	-	-	1.0	4.6579	4.2516
Japanese yen	-	0.1	8.8	4.0	0.2996	0.2738
Vietnamese dong	-	1.0	-	-	0.0015	0.0015

Foreign exchange contracts outstanding as at 31 December 2015 and 2014 are summarised below:

2015		
Foreign currency	Bought amount	Contractual exchange rate
		of bought amount
	(Million)	(Baht per 1 foreign currency unit)
US dollar	6	36.0969 - 36.3489
Japanese yen	108	0.3033 - 0.3035

The foreign exchange contracts mature in the second quarter of 2016.

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

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

28.2 Fair values of financial instruments

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

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 1.4:1 (2014: 1.8:1) and the Company's was 1.0:1 (2014: 1.4:1).

30. Event after the reporting period

- 30.1 In January 2016, Forth Smart Service Public Company Limited, one of the subsidiary, entered into an agreement with a local bank to obtain a long-term loan facility of Baht 100 million (fully drawn down). Interest is charged on the loan at rate referring to BIBOR plus a margin as stipulated in the agreement. The loan is to be repaid in monthly installments over 36 periods (ending in 2019).

The subsidiary has to comply with certain conditions stipulated in the loan agreement, pertaining to matters such as the maintenance of financial ratio, creation of liabilities, and significant changes in the shareholders' structure or management etc.

- 30.2 On 11 February 2016, a Board of Directors' meeting of Forth Smart Service Public Company Limited, one of the subsidiaries, passed the resolution to propose that the Annual General Meeting of shareholders approve a dividend payment of Baht 0.15 per share, a total of Baht 120 million, which is an addition of an interim dividend payment of Baht 0.13 per share. The dividend will be paid from the subsidiary's operating results for the year 2015.

- 30.3 On 24 February 2016, the Company's Board of Directors' meeting passed the resolution to propose that the Annual General Meeting of shareholders approve a dividend payment of Baht 0.17 per share, a total of Baht 163 million, which is an addition of an interim dividend payment of Baht 0.15 per share. The dividend will be paid from the Company's operating results for the year 2015.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2016.

General Information

Company Name	:	Forth Corporation Public Company Limited
Security Name	:	FORTH
Company Registration Number	:	0107548000471
Paid-up capital	:	480,000,000 Baht (960,000,000 common shares of Baht 0.5 par value)
Nature of Business	:	• Manufacturing and distribution of telecommunication and electronic equipment under trademark of "FORTH" • Manufacturing of print circuit board and electronic equipment under the customer brand • Manufacturing, distribution and contractor for the installation of equipment, traffic light system and CCTV • Manufacturing and distribution of electric sign board • The collection of the advertising fee from text message and images on genius traffic board • The development and implementation of Enterprise Resource Planning system • The online top-up service and topping-up the prepaid mobile phone • Manufacturing and distribution of lamps and lighting equipment
Head Office's address	:	1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400
Branch's address	:	Branch No. 1 66/350 Moo 12 Raikhing, Sampran, Nakornprathom, 73210 Branch No. 2 77 Moo 11 Phuttamonthon 5 th Road, Raikhing, Sampran, Nakornprathom, 73210 Branch No. 3 66/18 Moo 12 Raikhing, Sampran, Nakornprathom, 73210 Branch No. 4 282, 284 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400
Website	:	www.forth.co.th
Telephone	:	0-2265-6700, 0-2271-2888
Facsimile	:	0-2265-6799, 0-2279-4888
References		
Securities Registrar	:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. 0-2009-9000 Fax. 0-2009-9991
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 details of the Company, please refer to the annual filing (Form 56-1) at www.sec.or.th or the Company's website.



FORTH CORPORATION PUBLIC CO.,LTD.



FORTH CORPORATION PUBLIC COMPANY LIMITED

1053/1 Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400

Phone : +66-2271-2888 Fax : +66-2279-4888



www.forth.co.th