FORTH

FORTH CORPORATION PUBLIC CO.,LTD.

Annual Report 2016

With the deepest sorrow and condolences on the passing of our beloved King Bhumibol Adulyadej

The Board of Directors, Management and Staff

Forth Corporation Public Company Limited

“ Awards of Pride ”

2014-2015

Award for Good Cooperation

Pioneer Manufacturing (Thailand) Co., Ltd.

2012

Performance Achievement Award

Western Digital (Thailand) Co., Ltd.

2011

The Best of National Innovation Award for Science & Technology

from the National ResearchCouncil of Thailand (NRCT)

Product: Multi Service Access Network (MSAN)

Best Supplier Award

from Pioneer Manufacturing (Thailand) Co., Ltd.,

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

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

2009

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)

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“ Message from the President ”

In 2016, Thais encountered the greatest and inconsolable loss due to the passing away of His Majesty King Bhumibol Adulyadej. During the 70 years of reign, His Majesty the King ruled the country based on Ten Royal Virtues and dedicated himself to royal duties to relieve various problems and difficulties of Thai people through sustainable development according to the Sufficiency Economy Philosophy.

Forth Corporation Public Company Limited is immensely grateful towards His Majesty’s boundless and gracious kindness. We are ready to apply his insightful teachings to our business operation based on the Good Governance while taking into consideration benefits of all stakeholders, participation in the social development, customers, business partners, employees and environment for the Company’s sustainable growth in the long-term period.

In 2016, Thai economy was still in a slowdown resulting from the global economic fluctuation that affected Thailand’s export direction. This leaded to continuous decrease of export value, while the production capacity in the country still remained. However, the government sector’s expenditure still was the main stimulus tool for domestic economy, with investment in infrastructure such as water resource and road transport management system development and sub-district livelihood enhancement measures. It is expected that the government investment will be able to support the country’s economy for another period of time.

As for expectation for succeeding years, if the government sector initiates major projects as set in the goal, this should be significantly beneficial to the economic figures further, especially connecting to neighboring countries; and this will definitely enable the country to become the center of ASEAN economy.

Furthermore, another factor to be closely monitored is foreign policy of the United States’ new administration in considering how much it will affect Thailand. As for the Group, we still confront with the aforementioned economic challenges, as well as high domestic competitiveness. Under such economic instabilities, the Company has to closely monitor the situation and adjust our operational plan, so that the Company will be able to manage the business for continuous growth and constantly high profitability for the shareholders.

I, on behalf of Forth Corporation Public Company Limited, would like to present my thanks to our shareholders and all those who have supported the business of the Group for their consistent confidence, trust and support, including our executives and all staffs who have devoted their efforts and moral supports to the business operation. The Board of Directors will consistently maintain the corporate governance for everlasting sustainability within the frame of the international standard.

(Mr. Sanit Vorapunya)
President

“Message from Chief Executive Officer”

The Company’s business operation in 2016 was restrained by domestic and international economic situation, which is in constant slowdown. However, the Company is able to maintain the profits consistently as can be seen from previous operating results. In this year, the main factor that enhances the Company’s steady growth still stems from service online top-up through automatic machine or “Boonterm kiosk”.

In 2017, the Company will operate the business strategies as follows:

- The Electronics Manufacturing Services (EMS) business has stable growth trend, so the Company will concentrate on developing the production process and cost management to be more effective in order to enhance the competitive advantages.
- The telecommunication and related technology businesses, the main revenue will stem from bidding projects for the government sector and state enterprise, which was relatively in recession in the previous year. However, in 2017, a positive economic trend is expected. The Company has procedures for selection of projects in order to participate in the biddings, with the ultimate focus on the profitability and business opportunity.
- Online service top-up business for retail customers has constant growing trend, as can be seen from the record-breaking profits for numerous quarters consecutively of Forth Smart Service Public Company Limited (“FSMART”), which the Company holds 45.75% of its registered share capital, through expansion of the number of kiosks, new services and products such as money transfer, weighing machine, and gasoline vending machine, etc. This year, at least 25,000 machines per year are set as the goal. As a result, over 120,000 Boonterm kiosks will be located nationwide, and top-up amount of over Baht 30,000 million is expected.

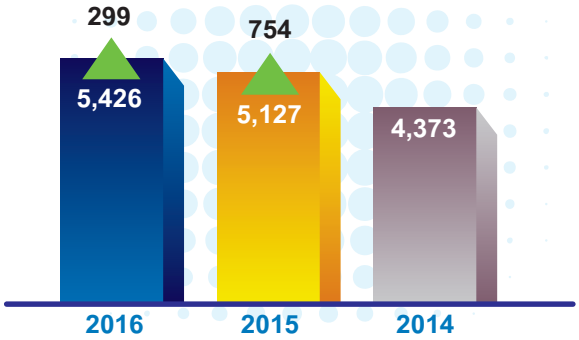
Throughout 28 years since the Company has been established, we still strive for successful business by improving technology knowledge to support the industrial change, including designing new products with potentiality of creating revenues and profits and expanding the customer base as well as reducing the dependence on one single particular product.

On behalf of the Board of Directors of the Company, I would like to present my thanks to you all for the trust in the management team, who are going to lead the Company to steady growth as in the past. The Company is committed to adhere to the corporate governance together with the corporate social responsibility.

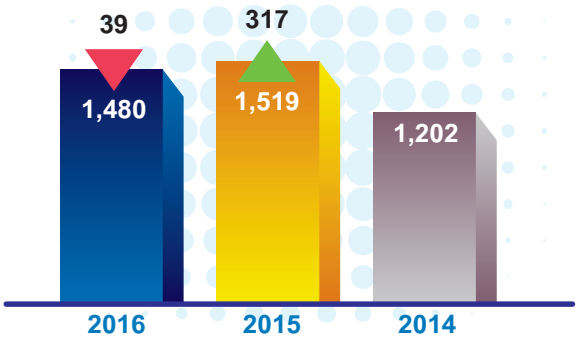
(Mr. Pongchai Amatanon)
Chief Executive Officer

“ Financial Highlights ”

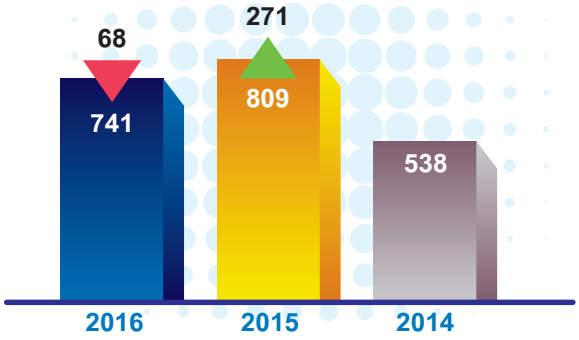
Total revenues (Million THB)



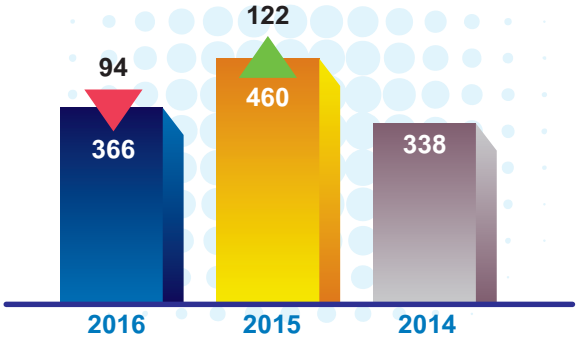
Gross profit margin (Million THB)



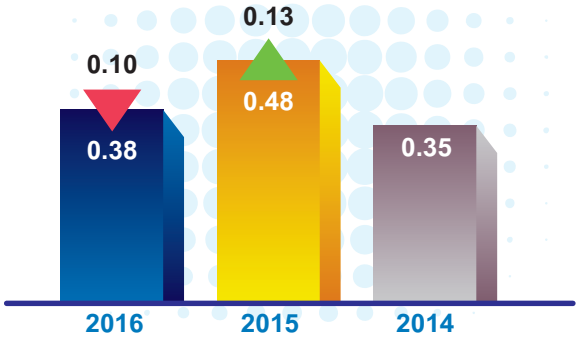
Profit before finance cost and income tax expense (Million THB)



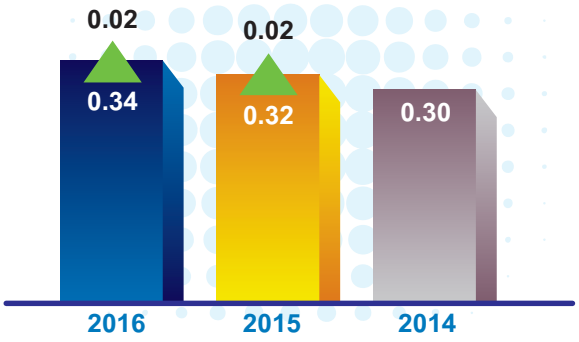
Net profit (Million THB)



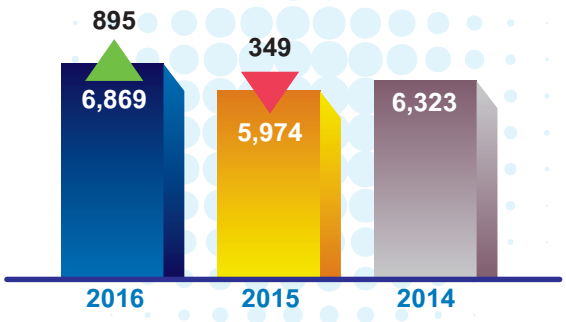
Earnings per share (THB)



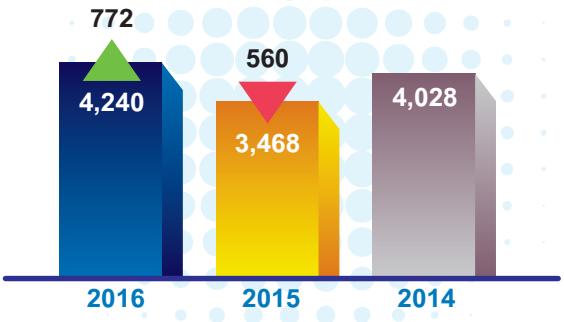
Dividend per share (THB)



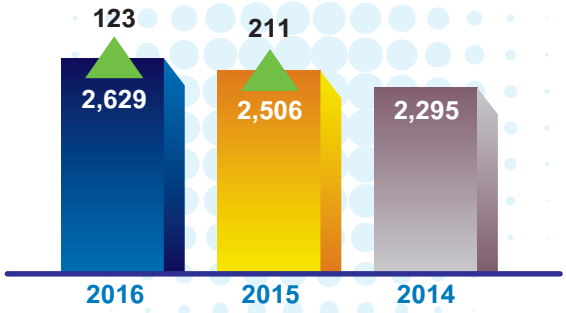
Total assets (Million THB)



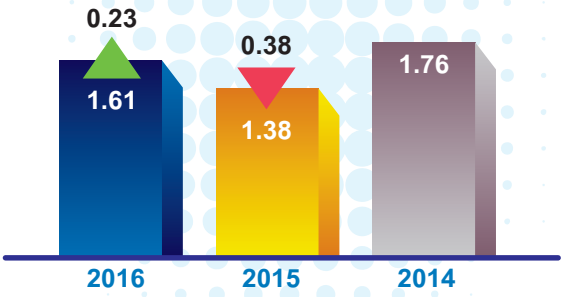
Total liabilities (Million THB)



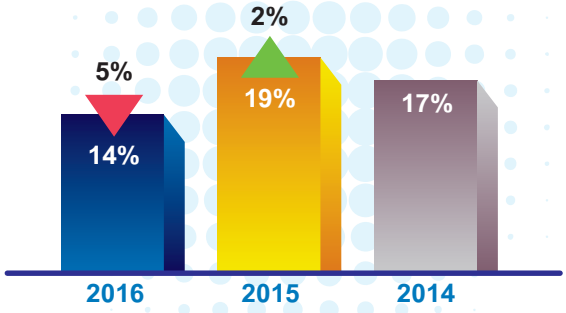
Total shareholders' equity (Million THB)



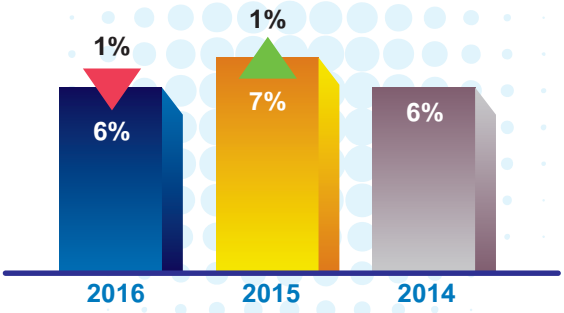
Debt to equity ratio (time) (Million THB)



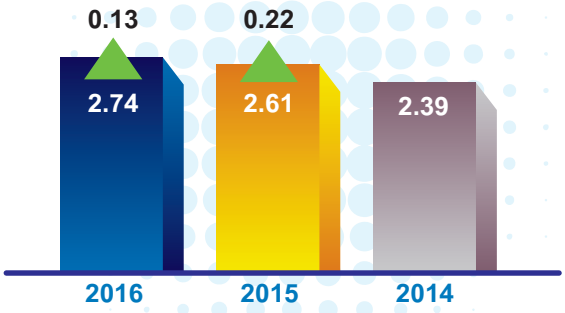
Return of equity ratio (%)



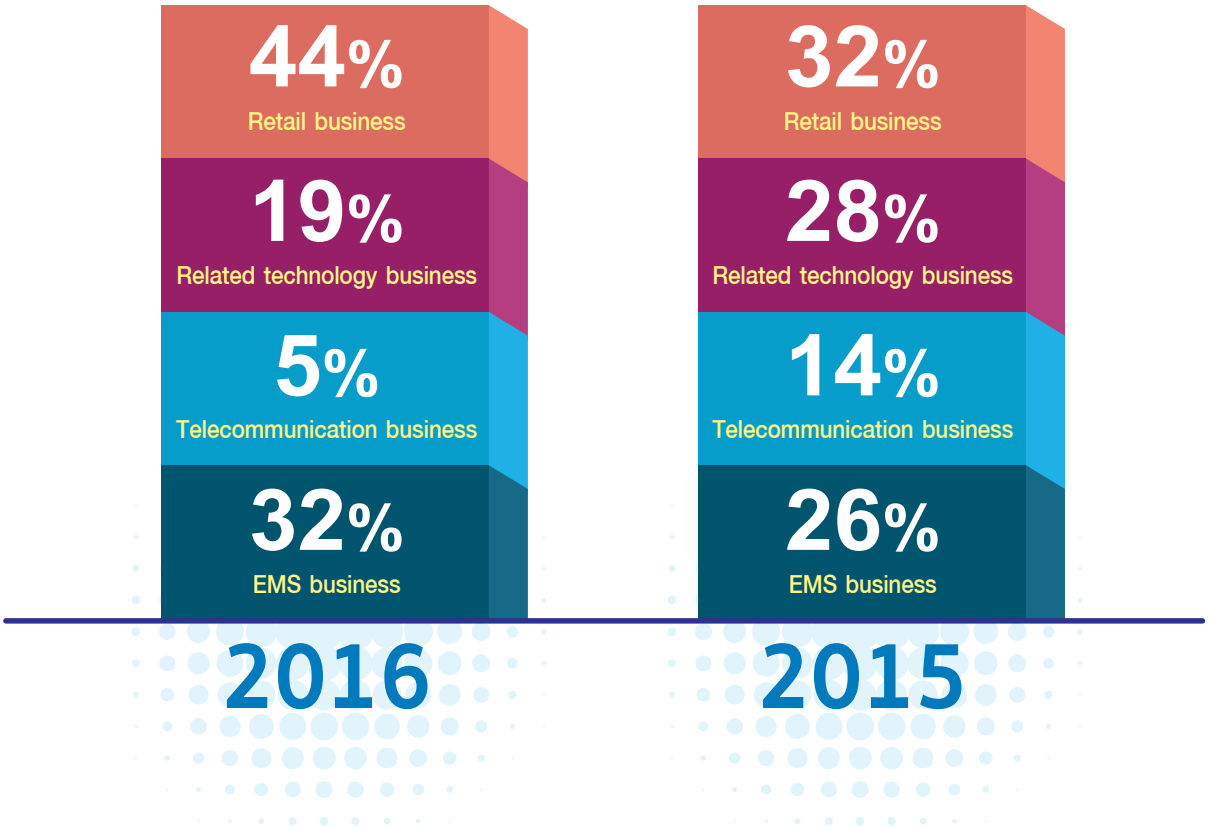
Return of assets ratio (%)

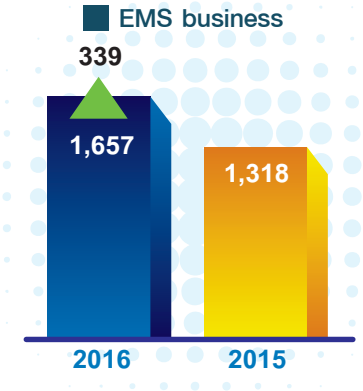


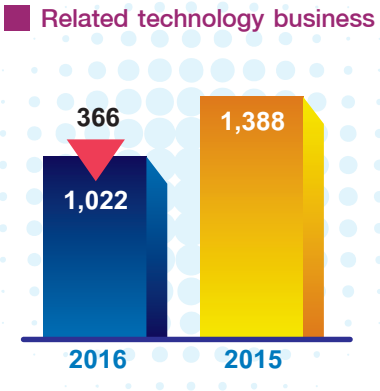
Book value per share (THB)

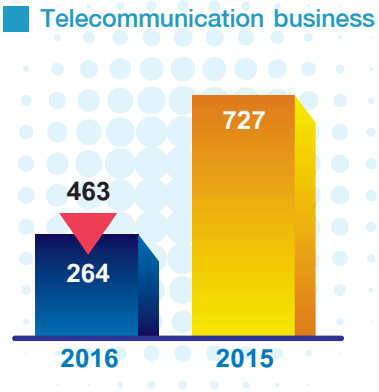


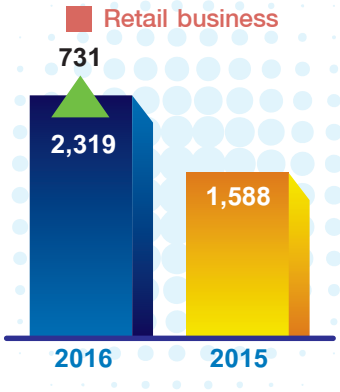
“ Revenue Structure ”











VISION & MISSION

VISION

Forth Corporation Public Company Limited is the telecommunication and electronic business organization that endeavors to provide excellentproducts 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

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

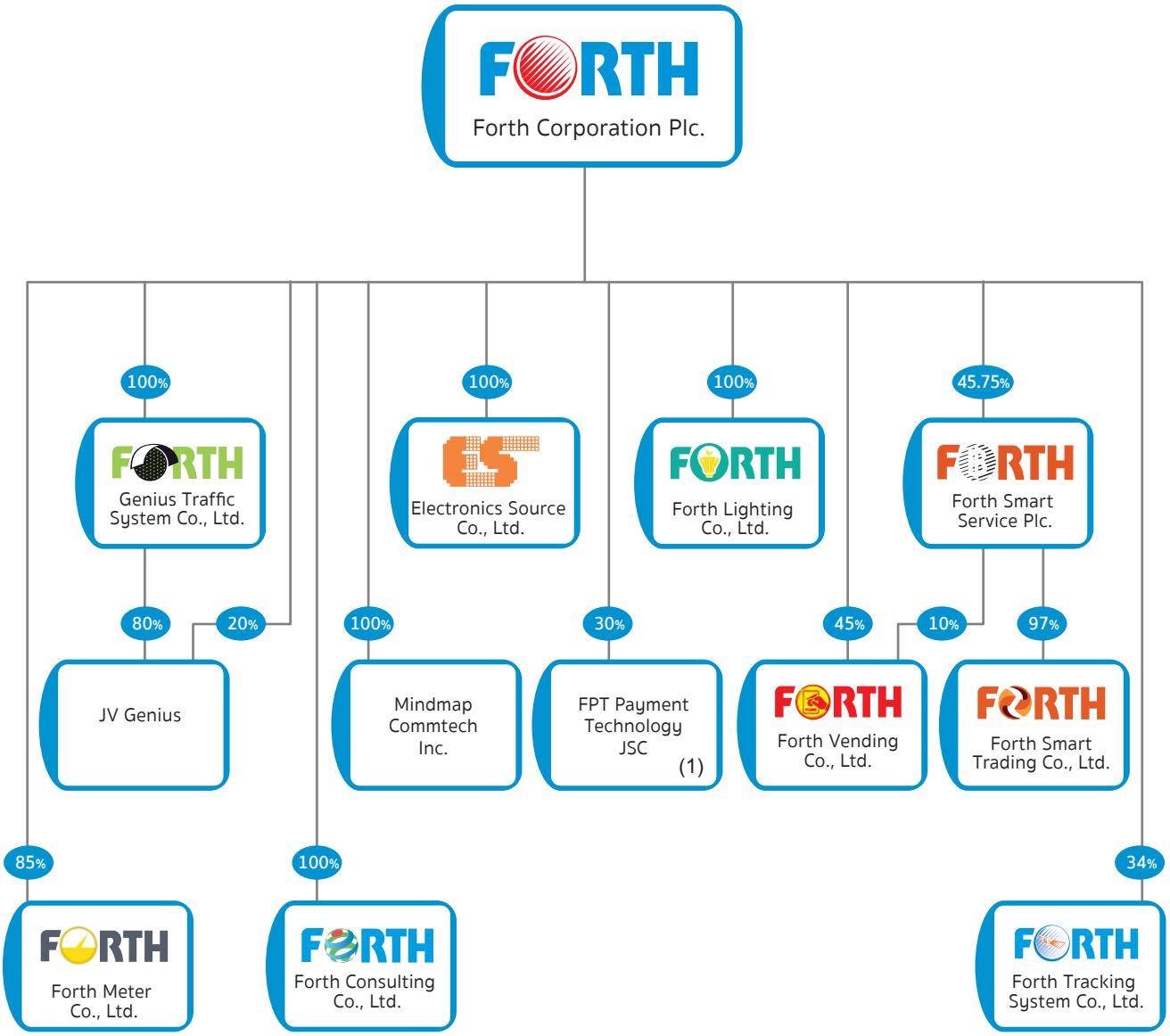
Ms. Nitiya Songprapai

Vice President of Central Administration

Mr. Katanyoo Wilaikaew

Vice President of Research and Development

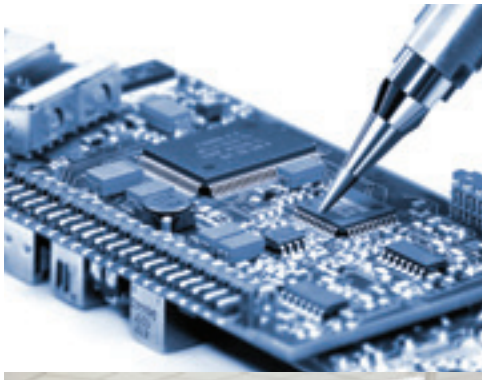
“ Shareholding Structure of the Group ”



(1) 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

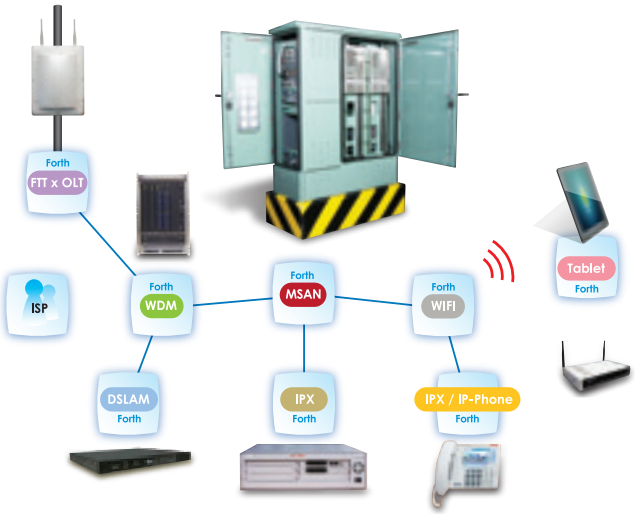
The business is operated by Forth Corporation Public Company Limited in the factory of over 16,000 square meters which is located on Phuttamonthon 5 Road in Nakorn-pathom province with modern manufacturing machines, professional engineers and teamwork of long experience who are ready to serve the customers 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 Protocal Phone (IP Phone), Internet Protocal Digital Subscriber Line Access Multiplexers (IP DSLAM), Internet Protocal 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 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 45.75-persent owned subsidiary and another 54.25% of equity interest are not connected persons) under trademark of บุญเติม. It provides service for electronic payment, pre-paid mobile phone top-up and online bill payment through automatic machine or “Boonterm kiosk” in the franchise system through agents as well as Boonterm kiosk co-management system with business partners in various projects e.g. 7-Eleven, Tesco Lotus, FamilyMart, Tops Supermarket, BTS and etc. In order to expand customer base and “Boonterm” network covering all regions over Thailand.

In 2016, Forth Smart Service Public Company Limited has established Forth Smart Trading Company Limited as a 97-percent owned subsidiary in order to operate business on selling products and services relating to Boonterm kiosk.

Oversea business of online services top-up

On May 14, 2015, the Company's Board of Directors passed a resolution to approve of buying all shares from shareholders of Mindmap Commtech Inc. On September 20, 2016, the Company bought 90,000 of such shares from the shareholders with a price of 500 Philippine Pesos each, which total 45 million Philippine Pesos (approximately Baht 33 million). As a result, the Company holds 100% of shares, and the status of Mindmap Commtech Inc. has been changed from a associate to a subsidiary.

“Research and Development Project”

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.

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.

“Research and Development Project”

Passive Optical Network Unit (ONU) for high-speed internet

The device for high-speed internet in residence relies on fiber optic network called Optical Network Unit (ONU). It is able to receive and send data for the maximum of 2,500 Mbps/1,250 Mbps via Gigabit-Capable Passive Optical Network (GPON) with high bandwidth. It also has advantages of reducing noise from the traditional phone line-based internet connection. With its various attributes, this ensures that the product is able to meet the customer needs unlimitedly.

FORTH Technovation

1983-2005

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

2007

- Develop Access Network Product

2008

- Implement DLC to TOT (TDM-Voice)

2009

- IP PBX, IP Phone
- VoIP Gateway

2010-2011

- Forth WDM Access Switch
- Top UP Machine

2012-2013

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

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

2014

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

2015

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

2016

“ Corporate Social Responsibility Activities ”

Donation of money

to Siriraj Foundation

The Children’s day for 2016

at Ravin Home Resort in Nakorn Nayok Province

Blood donation

to The Medical Council of Thailand, Siriraj Hospital

“Board of Directors”

Mr. Sanit Vorapunya

Age 78 years old

Chairman of BOD/ Independent Director/ Audit Committee

Company’s Shares Procession (%)

As of 21 November 2016: -None-

Education and Training Background

• Certification 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 the other companies

• Chariman of Audit Committee of Thai Summit Harness Public Company Limited

• Director of Southeast Insurance Public Company Limited

• Director of Southeast Life Insurance Public Company Limited

• Director of Southeast Capital Company Limited

• Director of Thai Research and Training Company Limited

• Director of Electronic Source Company Limited

• Director of Genius Traffic System Company Limited

Ms. Nongram Laohaareedilok

Age 63 years old

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

Company’s Shares Procession (%)

As of 21 November 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 the 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. Sutham Malila

Age 75 years old

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

Company’s Shares Procession (%)

As of 21 November 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. 24/2005 on 17-18 February 2005, Thai Institute of Directors (IOD)

The relevant important positions of the other companies

• Audit Committee of TT&T Public Company Limited

• Director of TSB Holding Company Limited

• Director of Subpeumphol Construction Company Limited

Mr. Pongchai Amatanon

Age 53 years old

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

Company’s Shares Procession (%)

As of 21 November 2016: -41.75- (*)

(*) Including spouse and immature children

Education and Training Background

• B.A. of Engineering, King Mongkut’s Institute of Technology Ladkrabang

• Certification of Thailand National Defense College Batch 58

• Top executives program, Capital Market Academy, Batch 14

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

The relevant important positions of the other companies

• Director of Forth Smart Service Public Company Limited

• Director of Forth Smart Trading Company Limited

• Director of Forth Vending Company Limited

• Director of Forth Lighting Company Limited

• Director of Forth Consulting Company Limited

• Director of Electronic Source Company Limited

• Director of Forth Tracking System Company Limited

• Director of Forth Meter Company Limited

• Director of Genius Traffic System Company Limited

“Board of Directors”

Mrs. Rangsee Lerttripinyo

Age 56 years old

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

Company’s Shares Procession (%)

As of 21 November 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 the other companies

• Director of Forth Smart Service Public Company Limited

• Director of Forth Smart Trading Company Limited

• Director of Forth Vending Company Limited

• Director of Forth Lighting Company Limited

• Director of Forth Consulting Company Limited

Mr. Kaelic Amatanon

Age 60 years old

Director

Company’s Shares Procession (%)

As of 21 November 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 the other companies

• Director of Electronic Source Company Limited

Mrs. Matinee Wandeepirom

Age 55 years old

Director/ Nomination and Remuneration Committee

Company’s Shares Procession (%)

As of 21 November 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 the other companies

• Director of Genius Traffic System Company Limited

Mr. Boonya Tantipanichapun

Age 55 years old

Director/ Executive Committee/ Risk Management Committee

Company’s Shares Procession (%)

As of 21 November 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 the other companies

• Director of Genius Traffic System Company Limited

“Board of Directors”

Ms. Chonthicha Siripongpreeda

Age 46 years old

Director

Company’s Shares Procession (%)

As of 21 November 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 the other companies

- Deputy Managing Director of Electronic Source Company Limited

“Management Team”

Mr. Pongchai Amatanon

Age 53 years old

Chief Executive Officer

Company’s Shares Procession (%)

As of 21 November 2016: -41.75- (*)

(*) Including spouse and immature children

Education and Training Background

• B.A. of Engineering, King Mongkut’s Institute of Technology Ladkrabang

• Certification of Thailand National Defense College Batch 58

• Top executives program, Capital Market Academy, Batch 14

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

Mrs. Rangsee Lerttripinyo

Age 56 years old

Senior Executive Vice President/ Corporate Secretary

Company’s Shares Procession (%)

As of 21 November 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. Arin Jamnaree

Age 44 years old

Vice President of Accounting and Finance

Company’s Shares Procession (%)

As of 21 November 2016: -None-

Education and Training Background

• MBA., Thammasat University

• B.A. of Accounting, Thammasat University

Mr. Chatchavin Pipatchotitham

Age 44 years old

Executive Vice President/ Risk Management Committee

Company’s Shares Procession (%)

As of 21 November 2016: -None-

Education and Training Background

• MBA, Chulalongkorn University

• B.A. of Accounting, Thammasat University

Mr. Pramote Pantina

Age 48 years old

Vice President of Production

Company’s Shares Procession (%)

As of 21 November 2016: -None-

Education and Training Background

• BBA, Sukhothai Thammathirat University

• High Vocational Certificate of Electronics, Patumwan Institute of Technology

Ms. Nitiya Songprapai

Age 57 years old

Vice President of Central Administration

Company’s Shares Procession (%)

As of 21 November 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

Mr. Katanyoo Wilaikaew

Age 47 years old

Vice President of Research and Development

Company’s Shares Procession (%)

As of 21 November 2016: -0.02-

Education and Training Background

• B.A. of Electronics Engineering, Rajamangala Institute of Technology

• High Vocational Certificate of Electronics, Rajamangala Institute of Technology

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

Item No.	Business name/Location	Business type	Share type	No. of Outstanding shares	No. of Shareholding	Percentage of Shareholding
1	Gerius Traffic System Co., Ltd. 77 Moo 11 Phutthamonthon 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. 258 5th Floor and 6th Floor Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2062-4970, Fax : 0-2062-4999	Distribution of electronic parts	Common	500,000	499,994	100.00%
3	Joint Venture Gerius 282 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2615-2440, 0-2615-2231-2 Fax : 0-2615-2411	Concession for traffic beam project	-	-	-	100.00%
4	Forth Smart Service Pcl. 258 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, 0-2271-2008 Fax : 0-2265-6799, 0-2279-4588	Consulting service for information management and computer software management	Common	100,000	99,998	100.00%
6	Forth Lighting Co., Ltd. 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2271-4888 Fax : 0-2271-3040-41	Manufacture and distribution of lamps and lighting equipment	Common	100,000	9,996	100.00%
7	Forth Tracking System Co., Ltd. 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%

Item No.	Business name/Location	Business type	Share type	No. of Outstanding shares	No. of Shareholding	Percentage of Shareholding
8	Forth Meter Co., Ltd. 225/1 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%
9	Forth Vending Co., Ltd. 1053/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Management of vending machine	Common	5,000,000	4,399,997	55.00%[1]
10	Mindmap Commtech Inc. 8th Floor Salamin Building, 187 Salcedo Legaspi Village, Makati City, Metro Manila, Philippines	Online top-up services and automatic prepaid mobile phone top-up	Common	150,000	150,000	100.00%[2]
11	FPT Payment Technology Joint Stock[3] 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%
12	Forth Smart Trading Co., Ltd. 256 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel : 0-2279-1777 Fax : 0-2279-7105	Selling products and services relating to Boonterm kiosk	Common	100,000	97,000	97.00%[4]
13	Odin Power Co., Ltd. 333/3 Moo.6 Bangpraeng Banghon, Samutprakarn 10560	Investment in renewable energy power plant companies	Common	2,000,000	200,000	10.00%

Remark: (1) 15% held by the Company and 10% held by Forth Smart Service Pcl.

(2) The Company purchased all of remaining shares from shareholders of Mindmap Commtech Inc. on September 20, 2016. As a result, the Company holds 100% of shares, and the status of Mindmap Commtech Inc. has been changed from an associate to a subsidiary.

(3) In the process of dissolution

(4) 97% held by Forth Smart Service Pcl.

“ Significant Changes and Development ”

In 2016, the Company has significant changes and development as follows:

The Company purchased 90,000 of shares from the shareholders of Mindmap Commtech Inc. with a price of Philippine Pesos 500 each, which totaled Philippine Pesos 45 million (approximately Baht 33 million). As a result, the Company holds 100% of shares, and the status of Mindmap Commtech Inc. has been changed from an associate to a subsidiary.

Forth Smart Service Public Company Limited has established Forth Smart Trading Company Limited in order to operate business on selling products and services relating to Boonterm kiosk. It had Baht 1 million of registered share capital (100,000 ordinary shares with a par value of Baht 10 each). Forth Smart Service Public Company Limited holds 97% of such shares.

The Company purchased 200,000 of additional ordinary shares from Odin Power Co., Ltd., or 10% of registered and paid-up capital, totally Baht 200 million. Such company invests in renewable energy power plant companies.

“ Revenue Structure ”

	2016		2015		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	690	12.72	525	10.24	545	12.46
- Distribution of electronics parts	967	17.82	793	15.47	721	16.49
Telecommunication business	254	4.87	727	14.18	918	20.99
Technology related business						
- Manufacturing, distribution and installation of traffic light system and related equipment, CCTV and electronic boards	785	14.47	976	19.04	505	11.55
- Development and implementation of ERP system	188	3.46	358	6.98	445	10.18
- Others	49	0.90	54	1.05	40	0.91
Business of automatic payment machine	2,319	42.74	1,588	30.97	1,104	25.25
Total revenues from major business	**5,262**	**96.98**	**5,021**	**97.93**	**4,278**	**97.83**
Other revenues	164	3.02	106	2.07	95	2.17
Total revenues	**5,426**	**100.00**	**5,217**	**100.00**	**4,373**	**100.00**

"Market Outlook and Competition"

Competitive Strategies

According to various business operations related to products in electronic industry for over 28 years, the Company is prepared for the complete marketing, research and production availability, as well as having subsidiary companies and joint ventures which operate the business supporting each other, through the business strategies as follows:

Product Strategies

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

Based on the long-term business experiences, the Company realizes that for sustainable business operation, it requires new and diversified products which have to always be updated and modern. As a result, the Company always focuses on the product research and development, and it is established as a department consisting of proficient employees regarding production line of the electronic products, and they develop the Company's new products in order to meet the customers' demands. Previously, the department has consistently created and developed new products. Therefore, such addition of business line will provide the Company with diverse customer base and reduce the Company's operation risks.

Use of production technologies that are able to support the modification of new product production

The Company has a policy to consistently invest in machinery with modern technology in order to support production of complicated products for the customers. The Company's manufacturing plant is certified with ISO 9001:2008 by the SGS (Thailand) Limited System & Service Certification; and this is able to ensure the customers that the production process is on a par with the standard. Moreover, production line is managed to support the production modification for new products, so that the machinery is effectively utilized under changing orders, and it is also able to support the production of the Company's products.

Focus on after-sale services and customer satisfaction

The Company consistently focuses on after-sale services through the Company's customer service and dealers throughout the nation such as providing advices on the product use, providing sufficient spare parts and prompt repairing and maintenance services. These create the customers' positive perception for the products and the product trademarks' recognition, and enhance trust and confidence in the Company's products or services. This also includes survey on customer satisfaction for continuous improvement of the services.

EMS Business

Competition in Electronic Industry Business and Electric Appliances

In 2016, overview of electronics and electric appliances industry was decreasing because of reducing demands for computers and laptops in the global market, as well as slowdown global economy and decreasing purchasing power leading to decreasing demands for electronic products and electric appliances. However, the Printed Circuit Board (PCB) and Integrated Circuit (IC), which are important parts in the readymade electronic devices or products including electric appliances such as fan, air conditioner and refrigerator, were increased. The United States is Thailand's number one export market, followed by ASEAN, the European Union, Japan and China, respectively.

The Kasikorn Research Center analyzes that Thailand's electronic industry trend will be increasingly directed to production of small electronic parts through a major drive derived from automotive industry that has increasing significance, in addition to computer device market. Thailand's electronic industry has an opportunity to link to domestic automotive industry, which at present is considered a significant center of automotive and its spare part manufacturing in the region, to manufacture automotive electronic devices and component parts completely. In addition, Thailand's electronic industry has an opportunity to apply the PCB production expertise to the computer and automotive industry in order to seek for opportunity in other sectors in the long term, for example, smart wearable tech gadgets and smart electric devices, etc. Moreover, Thailand should focuses on tendency of smart device development through domestic IC supply chain development, which consists of manufacturing sector and testing to effectively support sensor production. If the IC manufacturing can be developed further, apart from sustainable promotion of electronic products directly, some benefits might be gained through export of products that indirectly use IC such as cars, and it is able to support the smart device production in the future.

As for the PCB in the global market, the completion is relatively intense, especially competition with China which has a production cost advantage, and it also manufactures products for various companies in the United States, EU countries and Japan. In spite of the pricing pressure resulting from Chinese PCB manufacturers leading to low-priced product manufacturing into the market and indirect pricing comparison, the Chinese PCB manufacturers are not the Company's direct competitors - they emphasizes on the low-end market, since mass production technology is used with a focus on large quantity production, low cost and lower standard of products compared to Thailand's. The Company uses high technology for the PCB manufacturing, and if the production cost can be controlled, the Company will not be suffered from it, since the competition is based on the quality and reliability, not the price. Moreover, Chinese production cost tends to increase, so Thailand still holds competitive advantage over other competitors in the ASEAN region. Furthermore, expansion of Contracted Electronic Manufacturing (CEM) enables Thailand as the main market for the CEM having an opportunity for further growth in the future. The Company is trusted by domestic and international customers who give the Company continuous production orders.

Target customers of EMS business are electronic products and electric appliances manufacturers which can be divided into 2 types: domestic and foreign manufacturing company base in Thailand. If it does not include contribution products for affiliated companies, most of the Company's customers are appliances manufacturer e.g. air conditioners, fans, televisions and audios. The Company has customers from factories in New Zealand, Japan and Taiwan.

Telecommunication Business

Competition in Telecommunication Industry and Telecommunication Device Manufacturing and Distribution

The overview of telecommunication industry shows continuous growing trend. Wiring communication device market has a slight growth compared to wireless device market which grows by leaps and bounds. However, the competition becomes intense by wireless internet broadband service providers, especially the market entry by a new player that provides broadband services through fiber optic network. This stimulates other service providers to invest in and develop their own networks for the technology, in order to maintain or increase the market shares. The overall communication service market has a growing trend resulting from mobile phone services, but the landline phone is likely to decrease because of telecommunication technology change and consumer demands for high-speed and smartphone internet uses. Moreover, it is supported by the government through the National Broadband Policy based on a purpose to support and develop broadband as the public infrastructure, so that the service can be fully accessed and utilized by the public. This will reduce inequality, enhance well-beings and increase competitiveness for the country's telecommunication industry.

So far, the Company in cooperation with TOT Public Company Limited has developed diverse products such as DLC and MSAN telephone exchange cabinets including WDM Access Switch as a replacement of Analog Loop Carrier (ALC) that is going to expire, or they can be installed for addition of new telephone numbers. The Company's competitors are from China (Huawei Technologies, ZTE Corporation), and Sweden (Ericsson). According to success of the developed MSAN telephone exchange, currently there is a demand for small-sized MSANs installed on electricity poles for broadband internet services, telephone networks in an area with a small number of users, or dispersing installations. If MSAN installations with a few ports are invested, these probably are not cost-effective. Therefore, the Company develops the Mini-MSAN that has fewer ports and smaller size, but it is durable and has useful life equivalent to the MSAN. This Mini-MSAN device helps service providers to expand demand for broadband internet promptly and in timely manner to meet the customer's demand.

Moreover, the Company develops products in order to enhance the MSAN's effectiveness such as FORTH WDM Access Switch, which is an Access Switch for broadband network service providers in order to link the MSAN to the Core Network with high bandwidth. It also combines a lot of data signal through the WDM system for up to 400 Gbps data transfer in a single fiber-optic. This enables the high-speed internet service via MSAN exchange to perform faster, and it can reduce a lot of expenses caused by dependence on high-cost international systems.

As for Multi-PON OLT telephone exchange devices and Multi-PON cards for Fiber to the Home service: broadband via fiber optic provided in order to meet the market's unstoppable and increasing demands for bandwidth for the high-speed internet, video on demand, IPTV and VOIP for OLT devices, are able to support data transfer at the speed of 1.25 – 2.5 Gbps and further. This includes better data security mechanism.

Related Technology Business

Competition and Marketing Strategies for Traffic Signal System Installation and Production Business

The Company is a leading company in the traffic signal system market in Thailand, as the first developer of LED traffic signal system in Thailand, with outstanding performance in trial runs performed by various organizations. For example, in 2003, traffic signal control cabinet, LED traffic light, and LED countdown display were certified by Thailand Industrial Standards Institute (TISI), and in 2004 – 2005, the traffic signal light products and traffic signal light products for pedestrian crossings were certified by the Department of Science Service, etc. Because of specification of the LED that consumes lower power than Halogen lamps, it has 5-10 years longer useful life. It is also safer for the commuters, since the light consists of numerous LEDs; if any of them expires or deteriorates, the light will normally operate without any noticeable difference. As a result, various government agencies, both in Bangkok and other provinces, recognize the Company's products and use them to replace the existing deteriorated traffic lights or install new ones at new crossroads. At present, the Company emphasizes on the production in order to replace the existing damaged and deteriorated ones.

At present, we maintain our leadership in Thailand traffic signal system products, and we are trusted by the Bangkok Metropolitan Administration to install the traffic lights throughout Bangkok. In order to maintain the number one position, we still focus on new product development consistently. The Company gains competitive advantages over other domestic and international competitors, for prompt after-sale and maintenance services, since the Company as a manufacturer has sufficient material and spare parts, so it's not necessary to order spare parts from foreign countries and the quality of our spare parts are of higher quality than Chinese or Taiwanese ones at competitive pricing.

Competition and Marketing Strategies for Production and Distribution of Full Color LED Screen

As for distribution of Full Color LED Screens and Moving Sign Board/ Variable Message Sign (VMS), currently, full color LED screens are increasingly and commonly used in the overall market and installed for publicizing organizations, lease for a trade fair and big concert as well as investment and installation for media sales at business districts, etc.

At present, the industry competitors consist of importers as well as domestic retailers who import modules from China or Taiwan for assembly and distribution. Such product and production's quality are not up to the standard; therefore, its useful life is shorter and so the users need to significantly pay for maintenance. The Company manufactures the VMS and LED in Thailand based on high standard of manufacturing equivalent to

the international ones. Since the Company uses high quality materials which are identical to those used in production of traffic lights and full color LED screens to be distributed through bidding process and certified by a government agency with high selective standards, our products have longer useful lives than the competitors', and the users will be able to save maintenance cost in the long term. The competitive advantage is gained resulting from the buyer's focus on quality and after-sale services.

Competition in Manufacturing and Distribution of Bulbs and Lighting Devices

Manufacturing and distribution of bulbs and lighting devices business tends to expand steadily. It is in accordance with expansion of real estate sector and orders from government and private sectors. Moreover, end customers' behaviors demand to use better quality, more energy saving and more modern looking of the products as well as replacement of damaged and expired products with new ones.

Currently, it is in technological transition era: from using incandescent and discharge lamps to LED technology, which is more energy-saving and flexible for usage with longer useful life. Although it is more expensive than the traditional ones, the advantages mentioned above make them increasingly popular. It is expected that the value of LED bulb market has an average growth of 35% per year. At present, the government sector progressively issues various investment supporting measures in favor of business operators who wish to invest in this industry, e.g. super cluster investment and/or investment in the Special Economic Zones, etc. Investment in this industry is deemed as highly privileged group, which helps driving domestic supply expansion. Moreover, the government sector issues supporting measures for domestic use of LED bulbs, according to the Energy Efficiency Plan, 2015 – 2036 (EEP2015) to reduce the energy use. A pilot project is performed in the government buildings in order to push forward the demands in the country.

From 2015 up to now, there are business operators who apply for the privilege which is accounted for US dollars 4.5 million. However, currently Thailand still has to be largely dependent on import from China, accounted for 80% of all import value, since China has an advantage of lower production cost. (Source: SCBEIC)

Nevertheless, the Company believes that business opportunities are still available, since we have consistently performed product research and development, and we have our own plant for light bulb and lighting device manufacturing. As a result, there are several varied light bulbs and lighting products available in order to meet all target groups' demands, e.g. LED street light for the government agencies, LED High Bay for plants, sport stadiums and department stores, Edison screw (E27), halogen (MR16) and fluorescent bulbs for the government and private sectors and end customer, etc. This also enables the Company to effectively control the production cost and quality.

Online Top-Up Business

Online Top-Up Business Competition and Industry

The overview of mobile service industry continuously grows due to the driving force in Nonvoice market, and on behavior of consumers that tends to step more into the digital age especially the popularity in the social network. It expands steadily with the supporting factors of smart phones, tablets and other IT equipment that consumers can afford easily and the faster network developing as well as increasing competition of mobile network providers that focus on customers who use mobile phone top up service by launching campaign to offer discount or give out mobile phones for them. This results in the steady growth of pre-paid mobile phone top-up and it directly affects the growth of business of mobile phone top-up service.

Currently, mobile top-up can be performed through various channels such as refill on mobile phone, convenience stores' E-pin top-up, scratch cards and top-up kiosks, etc. The scratch card is in decreasing trend because of card production cost and higher transportation fee, while the top-up kiosks will become more popular, since customers are able to refill a small amount of money (Micro Transaction); and it is personalized, prompt and convenient with 24-hour service.

At present, the top-up kiosk or machine service providing businesses are increasingly competitive resulting from the customer demands which prefer convenient and prompt services, leading to the increasing number of top-up kiosks in the market. We are able to consistently maintain our leader status. In 2016, the Company hold the market share of prepaid service via Boonterm machine accounted for 16% of the 130-billion baht market value. This growth trend starts from year 2015 with 11% market share of the 124-billion baht market value. Based on the number of mobile phone numbers in the country, it is found that at the end of 2016, there was 71 pre-paid numbers; 23 million of them used Boonterm Machine for the top-ups, accounted for 32%. The number was increased compared to 2015 that 18 million numbers or 26% of all pre-paid numbers used Boonterm Machine for the top-ups.

New entrepreneurs who wish to enter the market probably encounter some barriers such as economy of scale, capital requirement, brand loyalty, management knowledge and experience (learning curve), servers and dealer management, etc. Boonterm machine is continuously developed and improved, with varied available services added. Moreover, new products are launched to the market, and sale promotion activities are regularly provided. As a result, the consumers are confident in our service quality.

Based on the Boonterm's strengths with service quality trusted by the customers for over 8 years, at the moment 23-million pre-paid customers regularly use Boonterm Machines for the top-ups, and the number is continuously increasing. As a result of franchise management operated through dealers and sub-dealers, the number of machines can be effectively expanded. In addition, the total sum of transactions per each can be maintained through selecting appropriate location. Consequently, the Company, dealers and sub-dealers are able to grow sustainably.

“ Risk Factors ”

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

1. Financial risk

Risk from the liquidity of distribution to public sector

The target customers of our telecommunication business and related technology business are mainly public sectors, which the payment terms are usually longer than the private customers. This group has 60 days of average account receivable turnover depending on the budget of each department. The Company and its subsidiaries expected to acquire more revenue from them through auctions and also contractors. The Company and its subsidiaries therefore needed to manage efficiently liquidity system to support public sector's project. However, the Company and its subsidiaries have gained experience and expertise from public projects for a long time and this enhances the professional liquidity management for the customers of the public sector and the ones of the long credit duration. The Company and its subsidiaries especially hold a circulating capital sufficient for supporting the long-term cash flow of those specific customers. Apart from that the Company and its subsidiaries also reserve sufficient loan provision and request additional loan from commercial banks to support efficient liquidity management in the long run.

2. Operational risk

Risk relating to project delivery

The operations of projects by the Company and its subsidiaries normally have duration of 3 months to 1 year depending upon project size. If the Company and its subsidiaries fail to deliver the project on the due date stated in the contract, the Company and its subsidiaries may be fined or lose credibility to the project operator. The penalty will affect the profitability of each project. Therefore the Company and its subsidiaries have policy to closely and carefully monitor and manage projects. In the last 3 years, the Company and its subsidiaries were fined less than 0.05% of project's value. In order to prevent such risk, the Company and its subsidiaries always coordinate with customers and manufactures in order to solve problems in a timely manner.

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

The Company and its subsidiaries produce and distribute electronic and telecommunication products, which are greatly subjected to changes in technology. Large number of inventories from slow distribution might result in obsolete products, which require high management cost. Hence, the Company and its subsidiaries

continuously have consideration to set up the allowance for obsolete inventories in order to cover and to be realistic. However, the Company and its subsidiaries have a plan to manage and reduce overstocks by continuously meet with related departments such as production, sales and R&D to determine the methods to resolve on inventories turnover together with apply information technology system to improve production planning and sale forecasting, determine inventories level.

Risk from dependence on an executive or a major shareholder

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

3. Marketing risk

Risk relating to change in government policy

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

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

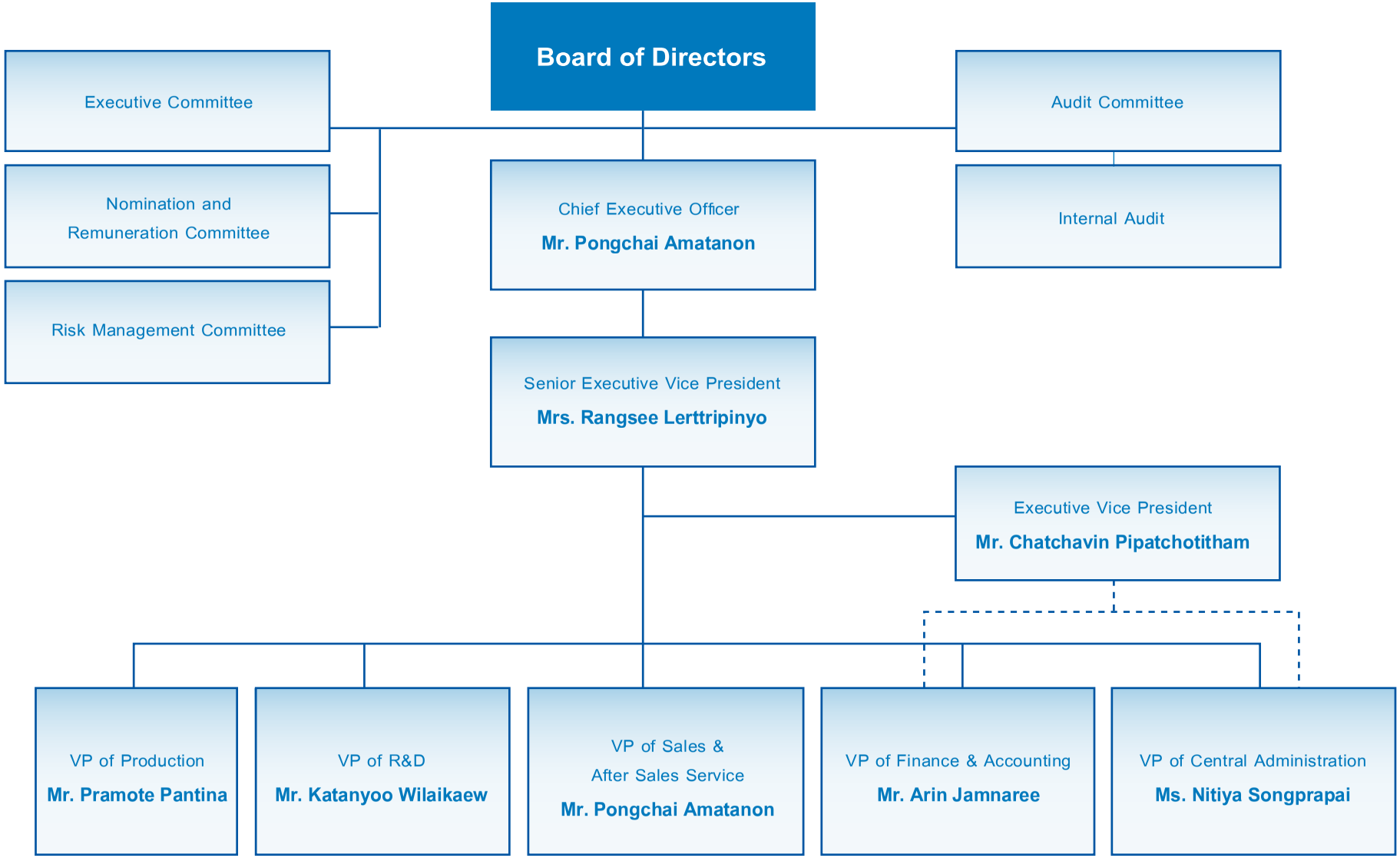
Risk from a shareholder group, which held of more than 50% of the Company's share capital

As at 21 November 2016, Amatanon family was still the major shareholder of the Company with shareholding of 51.37%, which is more than 50% of the Company's paid-up capital. As a result, this family is able to manipulate the resolution of shareholders' meeting in every agenda; either appointment of directors, the approval of other matters with a majority votes, exempt the matter related to law or article of association, which required at least three fourth votes of shareholders in meeting. However it is impossible for minor shareholders to gather vote and check and balance of power on the matter proposed by major shareholders.

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

“ Organization Chart ”

As at 31 December 2016



“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

5) Risk Management Committee

Details of each committee are as follows:

Board of Directors

The Board of Directors has 9 members[1] which are composed with 6 executive directors or 67% of total board members and 3 independent directors or 33% of total board members.

List of the Board of Directors as at 31 December 2016

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

Remark: [1] During 2016, Mr. Patima Jaerapaet resigned as a director of the Company, effective from 11 August 2016 onwards.

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 2016, there are 3 members of the Executive Committee which are as follows:

No.	Name	Position
1.	Mr. Pongcha Amatanon	Chairman of Executive Committee
2.	Mrs. Rangsee Lertthipinyo	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 includes 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 2016, the Company's independent directors compose of 3 directors who are selected from 9 members of the Board of Directors (33% 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

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 2016, 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 independance, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.

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

Nomination and Remuneration Committee

The term of the Nomination and Remuneration Committee member is 3 years. The Company has determined the qualifications of the Nomination and Remuneration 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 half of them being an independent director.
3. For independence of the performance of duty and expression of opinion, the Chairman of the Nomination and Remuneration Committee should be an independent director.

The Nomination and Remuneration Committee shall convene the meeting when seen as appropriate (at least 2 time a year) and has power to call for an extra meeting if necessary.

As at 31 December 2016, 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. Nungram Laohaareedilok	Nomination and Remuneration Committee
3.	Mrs. Rangsee Lertiripinyo	Nomination and Remuneration Committee
4.	Mrs. Matinee Wandeepirom	Nomination and Remuneration Committee

Duties and Responsibilities of the Nomination and Remuneration Committee

Nomination

1. Set guidelines and policies in nominating Board of Directors and other Committee members by considering what would be the appropriate number, structure and composition of members, outline necessary directors' qualifications, and propose these ideas for approval by Board of Directors and/or shareholders as appropriate.
2. Recruit, select, and nominate appropriate candidates for the Company's directors, sub-committees, top management and corporate secretary proposed to the Board of Directors for consideration and/or further approval of the shareholders when those positions are vacant due to termination of terms or other reasons.
3. Execute other tasks related to nomination as assigned by the Board of Directors.

Remuneration

1. Propose remuneration policy, guidelines in paying out compensation and other benefits for the Board of Directors, sub-committees and top management of which are appropriate for each person's responsibilities and consistent with the Company's performance and market conditions.
2. Determine necessary and appropriate monetary and non-monetary remuneration, for individual members of Board of Directors each year, taking into consideration each director's duties and responsibilities, performance, 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.

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 1 times a year) and has power to call for an extra meeting.

As at 31 December 2016, there are 5 members of the Risk Management Committee as follows:

No.	Name	Position
1.	Ms. Nongram Lanhaareedilok	Chairman of the Risk Management Committee
2.	Mr. Pongchai Amatanon	Risk Management Committee
3.	Mrs. Rangsee Lertripinyo	Risk Management Committee
4	Mr. Roonya Tantiparichapur	Risk Management Committee
5.	Mr. Charchavin Pipatchotitham	Risk Management Committee

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.

Management Team

The management of the Company as at 31 December 2016 consisted of:

No.	Name	Position
1.	Mr. Pongchai Amatanon	Chief Executive Officer/Vice President of Sale and After Sale and Service
2.	Mrs. Rangsee Lertthipinyo	Senior Executive Vice President/Company Secretary
3.	Mr. Chatchavin Pipatchotitham	Executive Vice President
4.	Mr. Pramote Pandna	Vice President of Production
5.	Mr. Arin Jamnaree	Vice President of Accounting and Finance
6.	Ms. Nitiya Songprapai	Vice President of Central Administration
7.	Mr. Katanyoo Wilaikaew [1]	Vice President of Research and Development

Remark: [1] Mr. Katanyoo Wilaikaew was appointed as Vice President of Research and Development, effective from 13 May 2016 onwards.

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 control 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 advisor 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 Lertpipiyo 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 executive 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 2016 Annual General Meetings of Shareholders on 22 April 2016, 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
Chairman of Risk Management Committee	15,000
Member of the Risk Management Committee	10,000
Chairman of Nomination and Remuneration Committee	15,000
Member of the Nomination and Remuneration Committee	10,000

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		Nomination and Remuneration Committee [1]		Risk Management Committee [1]	
	2016	2015	2016	2015	2016	2015	2016	2015
Mr. Sarit Vorapunya	165,000	165,000	481,300	534,300	-	-	-	-
Mr. Sutham Melila	110,000	110,000	497,500	544,200	15,000	-	-	-
Ms. Nongram Lachaareedilok	110,000	110,000	481,000	531,000	10,000	-	15,000	-
Mr. Pongchai Amatanon	110,000	110,000	-	-	-	-	10,000	-
Mrs. Rangsee Lerttripinyo	110,000	110,000	-	-	10,000	-	10,000	-
Mr. Boonya Lampanichapun	88,000	110,000	-	-	-	-	10,000	-
Mrs. Matinee Wandeepiram	110,000	110,000	-	-	10,000	-	-	-
Mr. Kaelic Amatanon	110,000	110,000	-	-	-	-	-	-
Ms. Chorthicha Sripongpreeda	110,000	110,000	-	-	-	-	-	-
Mr. Patima Jeerapaet [2]	88,000	22,000	-	150,000	-	-	-	-
Mr. Chatchavin Pipatchoitham	-	-	-	-	-	-	10,000	-
Total	**1,111,000**	**1,067,000**	**1,459,500**	**1,759,500**	**45,000**	**-**	**55,000**	**-**

Remark: [1] The Board of Directors of the meeting no.2/2015 resolved to appoint Nomination and Remuneration Committee and Risk Management Committee on 14 May 2015.

[2] Mr. Patima Jeerapaet resigned as a director of the Company, effective from 11 August 2016 onwards.

Management Remuneration	2016	2015	2014
Executive Remuneration (Million Baht)	61.27	58.28	58.26
Number of Executive Director (Persons)	16	14	15
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	2016		2015		2014	
		Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)	Number (person)	Amount (Million Baht)
1.	Forth Corporation Plc.	1,020	302.13	978	303.31	1,485	292.44
2.	Electronics Source Co., Ltd.	190	91.60	157	91.86	171	75.74
3.	Genius Traffic System Co.,	363	79.10	261	74.33	335	78.85
4.	JV Genius	26	8.59	26	8.66	30	8.72
5.	Forth Smart Service Plc.	270	76.09	210	63.61	176	47.22
6.	Forth Consulting Co., Ltd.	1	1.55	4	6.90	13	5.92
7.	Forth Lighting Co., Ltd.	16	7.94	17	6.00	10	2.29
8.	Forth Meter Co., Ltd.	15	3.99	17	5.11	28	1.20
9.	Forth Vending Co., Ltd.	17	4.14	-	-	-	-
	Total	**1,918**	**575.13**	**1,670**	**551.77**	**2,266**	**502.38**

During the past 3 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.

Auditor's Remuneration

1) Audit Fees

The Company and its subsidiaries paid audit fees for 2016 to EY Office Limited amounting to Baht 3,965,000.

2) Non-Audit Fees

In 2016, the Company and its subsidiaries paid fee for other non-audit service to EY Office Limited for the observation of inventory destruction of a subsidiary with the total amount of Baht 10,000 and the audit of general control system in information technology system of a subsidiary with the total amount of Baht 520,000.

"Security and Shareholder Information"

Registered and paid-up capital

As at 31 December 2016, 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 21 November 2016 were as follows:

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
1	Amatanon family		521,910,300	54.37
	Mr.Pongchai Amatanon	366,744,400		
	Mrs.Rangsee Lertiripinyo	59,465,500		
	Mr.Kaelic Amatanon	57,921,000		
	Mrs.Wantana Amatanon	34,089,600		
	Mr.Sitthichok Amatanon	30,000		
	Mr.Pattanun Amatanon	200,000		
	Ms.Nisa Amatanon	166,300		
	Mr.Autsila Amatanon	196,100		
	Mr.Chavin Lertiripinyo	1,600,000		
	Ms.Rasinee Lertiripinyo	1,491,400		
2	Thonglang family		61,238,100	6.38
	Ms. Viron Thonglang	17,350,850		
	Mr.Attikhun Thonglang	17,350,850		
	Mr.Ati Thonglang	13,945,450		
	Mr.Iti Thonglang	12,590,950		
3	Siripongpreeda family		34,831,900	3.63
	Mr.Poonsak Siripongpreeda	32,431,900		
	Mr.Somruck Siripongpreeda	2,400,000		
4	Ninnoennon family		28,704,400	2.99
	Mr.Boonyong Ninnoennon	22,464,100		
	Ms.Boonyarit 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		
7	Pongrattanakul family		17,560,200	1.83
	Mr.Supal Pongrattanakul	17,513,700		
	Mr.Somchai Pongrattanakul	46,500		

No.	Name		Number of shares (shares)	Percentage of shareholding (%)
8	Sujjaboriboon family		17,100,300	1.78
	Mrs.Chuleeporn Sujjaboriboon	4,837,700		
	Mr.Vorakoon Sujjaboriboon	4,702,000		
	Mr.Thanin Sujjaboriboon	3,310,900		
	Mr.Kornsarn Sujjaboriboon	2,019,700		
	Mr. Suwakij Sujjaboriboon	1,740,000		
	Mr.Thanet Sujjaboriboon	490,000		
9	Leelatheerakul family		14,740,000	1.53
	Mr.Kumthorn Leelatheerakul	14,730,000		
	Ms.Chittima Leelatheerakul	10,000		
10	Mrs.Tharinee Sonchanlichai		10,230,000	1.07
	Others		204,223,000	21.27
	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 effect 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	2016	2015	2014
Earnings per share (Baht per share)	0.48	0.59	0.51
Dividend per share (Baht per share)	0.34	0.32	0.30
Dividend payment rate (%)	71	54	59

“ Corporate Governance ”

Corporate Governance Policy

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

Compliance with the Principles of Good Corporate Governance

In 2016, 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 an agenda and nominate any external candidate for director position. The Company has control corporate governance on shareholder right tasks and avoics any action that violated of any right of shareholders.

Arrangement of Annual General Meeting of Shareholders

The Company has arranged the 2016 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 2016 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 2016 Annual General Meeting of Shareholders was held on 22 April 2016 at 01.00 p.m., at Yakult Tower, 1023 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 2016 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.lerth.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 2016, all directors (10 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 been recorded completely.
- Chairman 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 2016, 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 loyally.
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 Phahonyothin 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

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

Section 3

Roles of Stakeholders

The Company always considers the particular emphasis on the equal rights of all stakeholders i.e., shareholders, customers, employees, business partners, lenders, 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 the most valuable assets of the Company. The Company recognizes the need for proper personal rights, protection and right to equal and opportunity. The Company gives priority to determination of remuneration, welfare and safety of the employees as follows:

- Compensation of Employees

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

- Welfare and fringe benefit of employees

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

- Employee Development Policy

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

In 2016, the Group's employees had an average of 14.23 training hours per each per year.

- Employee Safety Policy

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

In 2016, there were 2 incidents of occupational accidents, according to the occupational accident statistic of the Group.

Customers

The Company aims to promote customer satisfaction by offering high quality products and full integrated services through ISO 9001 standard (version 2008). The Company pays attention and holds itself accountable to customers, and more importantly, provides high significance to the protection of their confidential information.

Moreover, the Company provides Forth Service Call Center 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, 20 Phaholyothin Road Samsennai, Phayathai, Bangkok, 10400

Tel. 0-2615-0606

Fax: 0-2615-0606 ext. 2199

Email: service@forth.co.th

Competitors

The Company has policy on fair business operation. The Company will not distort any fact or information, commit a swindle, or use any other improper approaches for the competition. The Company performs business under the proper rules of competition. The Company does not seek to obtain the competitors' confidential information by dishonest or inappropriate means such as bribing the competitors' employees, etc. Moreover, the Company will not use slander, defamation or distortion of the competitors' facts as competitive means.

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.

Copyright and Intellectual Property Policy and Procedures

The Company has policy and procedures for the copyright and intellectual property. The Company operates businesses lawfully according to any agreements about intellectual property, trade secret and respect for other persons' intellectual property. This covers requirement of authentic computer programs and strict prohibition on illegal computer software uses and installations.

Policy and Procedures for Effective Use of Resources

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

Social Responsibility

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

Environment

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

The mechanism of stakeholders' complaint

- Complaint

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

1) 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 Phahonyothin Road Samsennai, Phayathai Bangkok 10400

Tel: 0-2265-8700

Fax: 0-2265-6799

- Whistleblower Protection

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

Section 4

Disclosure and Transparency

Realizing the importance of transparent information disclosure, the Company has set up and supervised clear policies concerning communication with external parties timely and accuracy. The objective of these policies is to ensure that the disclosures of Company's financial information and operating performance, and non financial by download financial reports, annual report, annual filing (Form 56-1) from related agency website e.g. the Stock Exchange of Thailand, the Securities and Exchange Commission or the Company's website (www.forth.co.th) 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 2016

No.	Name	Attendance/Meeting
1.	Mr. Sanit Vorapunya	5/5
2.	Mr. Sutham Malila	5/5
3.	Ms. Nongram Lachaareedilok	5/5
4.	Mr. Pongchai Amatanon	5/5
5.	Mrs. Rangsee Lertlripinyo	5/5

No.	Name	Attendance/Meeting
6.	Mr. Kaolic Amatanon	5/5
7.	Mrs. Matinee Wandeepirom	5/5
8.	Mr. Boonya Tantipanichapun	4/5
9.	Ms. Chontiche Siripongpreeda	5/5
10.	Mr. Patima Jeerapaet [1]	4/4

Remark: [1] Mr. Patima Jeerapaet resigned as a director of the Company, effective from 11 August 2016 onwards.

Record of the Audit Committee's attendance at meetings in 2016

No.	Name	Attendance/Meeting
1.	Mr. Sanit Vorapunya	5/5
2.	Mr. Sutham Melila	5/5
3.	Ms. Nongram Laohaareed lok	5/5

Record of the Nomination and Remuneration Committee's attendance at meetings in 2016

No.	Name	Attendance/Meeting
1.	Mr. Sutham Melila	1/1
2.	Ms. Nongram Laohaareed lok	1/1
3.	Mrs. Rangsee Lertthipnyo	1/1
4.	Mrs. Matinee Wandeepirom	1/1

Record of the Risk Management Committee's attendance at meetings in 2016

No.	Name	Attendance/Meeting
1.	Ms. Nongram Laohaareed lok	1/1
2.	Mr. Pongchai Amatanon	1/1
3.	Mrs. Rangsee Lertthipnyo	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 9 members of the Board of Directors who are 3 independent directors, representing 33% 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).

Sub-committees

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

Quorum and Meeting

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

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

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.

Criteria for self-assessment of the Board of Directors' performance cover the following subject matters:

1) Structure and qualifications of the Board of Directors

2) Roles, duties and responsibilities of the Board of Directors

3) The Board of Directors' meetings

4) Performance of the directors

5) Relationship with the management

6) Self-development of the directors and development of the management team

The Company distributes the self-assessment forms to all directors for the assessment and the forms will be returned to the Company's secretary for the analysis. It will be reported to the Board of Directors for consideration and further policy making.

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).

In 2016, the Board of Directors encouraged the directors and the top management to consistently attend trainings and seminars to enhance their knowledge on the operations. Training on "Internal Control System and Risk Management" were provided to promote knowledge and understanding of the directors and management team over the internal control and risk management, which can be effectively and efficiently applied to the operations.

Succession Plan

The Board of Directors established the policy, basis 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 criteria for 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.

“ Change of Shareholding of the Board of Directors and Executives ”

Name	Position	Number of shares (shares)		Increase (Decrease)
		As of 10 March 2016	As of 21 November 2016	
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	-	-	-
Ms. Nongram Lachsareedilok	Director Independent Director Audit Committee Chairman of Risk Management Committee Nomination and Remuneration Committee	-	-	-
Mr. Pongchai Amatanon (*)	Director Executive Committee Chief Executive Officer Risk Management Committee	400,834,000	400,834,000	
Mrs. Rangsee Lertripinyo	Director Executive Committee Senior Executive Vice President Risk Management Committee Nomination and Remuneration Committee	59,485,500	59,485,500	-
Mr. Kaelic Amatanon	Director	57,924,000	57,924,000	-
Mrs. Matinee Wandeepiram	Director Nomination and Remuneration Committee	24,750,400	24,750,400	-
Mr. Boonya Tantipanichapun (*)	Director Executive Committee Risk Management Committee	24,711,400	24,711,400	-
Ms. Chonthicha Siripongpreeda	Director	-	-	-
Mr. Chatchavin Pipatchotitham	Executive Vice President Risk Management Committee			
Mr. Pramote Pantina	Vice President of Production	-	-	-
Mr. Arin Jamnarse	Vice President of Accounting and Finance	-	-	-
Ms. Nitiya Songprapai	Vice President of Central Administration	-	-	-
Mr. Katanyoo Wilaikaew	Vice President of Research and Development	156,000	156,000	-

Remark: (*) Including spouse and immature children

“ Corporate Social Responsibility ”

Corporate Social Responsibility Policy

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

Good Corporate Governance

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

Business fairness

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

Observance of human rights

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

Fairness to employee

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

Responsibility to consumer

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

Community and society development

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

Environment preservation

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

Activities for society and environment benefit during 2016.

- Blood donation to Faculty of medicine at Siriraj hospital
- Money donation to Siriraj Foundation
- Organizing the Children's day for 2016 at Raya Home resort, Nakhorn Nayok Province

“ Prevention of the involvement in Corruption ”

Prevention of the Involvement in corruption policy

The Board of Directors recognise that conducting business with integrity, an ideology of anti-corruption of all forms is a basis that would lead to the success of the business and strengthen the organization for sustainable growth. Therefore, to express the unwavering of the business practices not 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).

" Internal Control and Risk Management "

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

At the Board of Directors meeting No.1/2017, held on 24 February 2017 with the Audit Committee present, the Board of Directors assessed the internal control system by questioning information from management regarding the following five areas of the Company's internal control system; control environment, risk assessment, control activities, information and communication and monitoring activities. After consideration, the Board of Directors concluded that there is sufficient control system on business transaction with major shareholders, directors, management and their related persons. The control systems surrounding five areas are suitable and sufficient to safeguard the Company's assets from misappropriation used by management. The internal auditor could follow up and evaluate the internal control systems independently. In the past, there was no material deficiency in the Company's internal control systems. Furthermore, the Company also has document filing system for directors, auditors and the authorities to examine within suitable time frame.

Furthermore, EY Office Limited, which is the Company's auditor for 2016, has assessed internal control effectiveness of the Company and concluded that there was no material deficiency in the Company's internal control system.

According to the audit of internal control system audit in 2016, the internal auditor inspected 4 working systems, i.e. material and goods purchase system (headquarter), product quality control system, inventory management system, and annual internal control assessment and risk management monitoring, including follow-up of internal audit results of these 4 systems. Consideration for annual audit plans is mainly based on business conditions and risks. These factors are regularly monitored for their changes, and the information will be used for modification of annual audit plans in case more significant factors found. As for the audit results, they are submitted and reported to the Board of Directors and the Audit Committee meetings for consideration and further improvement. With regard to the audit of internal control system in 2016, the internal auditor did not find any significant defects of the internal control system.

Audit Committee report has shown on the 2016 Annual Report and the Appendix of the annual filing (Form 56-1).

Information about Internal Audit Department

According to the Audit Committee meeting No. 5/2016 dated November 11, 2016, the meeting designated Mr. Atiwat Tragoondet: Internal Audit Department's manager as the Head of Internal Audit, as a replacement of Miss Kanyarinnut Kantananun, who has resigned from the position. His responsibilities are to assess performance and availability of the internal control system, and to audit the operating performance of the entire organization, including the affiliates.

"Connected Transactions"

During the year 2016, 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 2016 and 2015 can be summarized in the table below:

Type of transaction	Related company/person	Relationship				Transaction value (Million Baht)	
		Associate	Major shareholder	Director/ Close person of director	Common shareholders/ common directors	31 December 2016	31 December 2015
Expense							
Purchase of goods/services	Forth Tracking System Co., Ltd.	X			X	0.02	0.14
Rental expense	Mr. Pongchai Amstanon		X	X		0.48	1.02
	Mrs. Rangsee Lertsiprayo			X		0.90	-
	Mrs. Punnee Siripongpreeda			X		-	-
Administrative expenses	Forth Tracking System Co., Ltd.	X			X	0.33	0.03
Revenue							
Sale of goods/ services	Forth Tracking System Co., Ltd.	X			X	15.41	11.65
	Minorrap Comtech Inc. (*)	X				11.60	-
Interest income	Minorrap Comtech Inc. (*)	X				0.05	-
Other income	Forth Tracking System Co., Ltd.	X			X	3.52	0.06

(*) Change status from an associate to a subsidiary on 20 September 2016

The necessity and reasonableness of the transactions

1. Normal business transaction

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

2. Supporting normal business transaction

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

“ Report of the Risk Management Committee ”

Dear Shareholders,

The risk management committee realizes the importance of the risk management. As a result, during a year the management team is provided with training to develop their knowledge on risk management. Qualified lecturers are invited to provide lectures for the training, so that each department's management team will effectively apply the knowledge gained from this training to risk estimation at the organizational and practical levels. In addition, the Company modified the types of risks for effective risk analysis as follows:

1. Strategy risk
2. Marketing risk
3. Financial risk
4. Operational risk
5. Compliance risk

As for the risk management this year, the Company managed the strategy risks through monthly meetings to monitor the predetermined operational plan and the actual performance. The meetings are attended by top management team and each department's management team, and they jointly consider for management procedures or improvement of operational plan for more effectiveness. As for the marketing risk, the Company is in technology and communication business group which requires consistent adaptability and flexibility; because of the Company's strengths of being both manufacturer and distributor, the Company is able to modify and adjust the operational plan to support the changes without any significant effect on the operation. As for the financial liquidity, the Company has planned for income and expenditure to be in harmony. Moreover, the Company has obtained a reserve fund to prevent insufficient cash inflow for cash outflow. As for the operational risk, the Company assigns a risk management working group to evaluate and identify each department's risks, as well as monthly meetings to determine protective measures and to control such risks in order to minimize or keep them to the acceptable level that the Company will be able to deal with any consequences. In addition, the Company manages the compliance risks through a specific control department, and the employees are consistently trained on the compliance, to keep up with the regularly changing regulations.

According to the risk management operations mentioned above, the risk management committee is confident that the Company's risk management is effectively performed. In addition, the management team recognizes the importance of risk management, and they are ready to continuously support the process.

(Ms. Nongram Lachsareedilok)

Chairman of Risk Management Committee

"Report of the Nomination and Remuneration Committee"

Dear Shareholders,

The Nomination and Remuneration Committee assigned by the Board of Directors consists of four committees: namely, Mr. Sutham Malila, Independent Director, acting as the Chairman of the Nomination and Remuneration Committee, Miss Nongram Laohaareedilok, Mrs. Rangsee Lertripinyo and Mrs. Matinee Wandeepirom acting as the Nomination and Remuneration Committees.

The Nomination and Remuneration Committee performs the duties and responsibilities as assigned by the Board of Directors, which are stipulated in the Nomination and Remuneration Committee's Charter. The committee is responsible for nomination of qualified person for directors and subcommittees positions, and determination of appropriate and necessary remuneration for the directors. Moreover, the Nomination and Remuneration Committee also considers the committee development plan for improvement of business related knowledge and competence in order to assure the shareholders that all directors are competent and have proper qualifications and potentiality for the operations for the best benefits of the Company and shareholders.

In 2016, the Nomination and Remuneration Committee held one meeting which was attended by all committees. The meeting results were reported to the Board of Directors for acknowledgement. Main topics in the consideration can be summarized as follows:

1. Determination of remuneration for the directors based on the Company's profits, business size and their duties and responsibilities, compared to other companies in the same industry; it is presented to the Annual Shareholder Meeting, 2017 for approval
2. Consideration for approval of the Management Team and Director Development Plan, 2016; the "Internal Control System and Risk Management" training program was approved, in order to promote the internal control system and risk management application to be a part of the operation for effectiveness and efficiency.
3. Consideration on selection and nomination of Mr. Katanyoo Wilaikaew as Vice President of Research and Development. The Nomination and Remuneration Committee's consideration was based on the qualifications, knowledge, competence, skills, experience and leadership as well as positive attitude to the organization.

(Mr. Sutham Malila)

Chairman of Nomination and Remuneration Committee

"Report of the Audit Committee"

The Audit Committee, appointed by the Company's Board of Directors, consists of three independent directors who have performed their duties in compliance with capability under their responsibility and authority assigned in correspondence with the good practices of the Audit Committee. In 2016, 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 2016 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 2016.
6. To conduct a self-assessment for 2016, 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 2017, 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 2017 which will be held in April 2017 for next approval.

(Mr. Sutham Malila)	**(Mr. Sanit Vorapanya)**	**(Ms. Nongram Laohaareedilok)**
Chairman of Audit Committee	**Audit Committee**	**Audit Committee**

"The Board of Directors' Responsibilities Report to Financial Statements"

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

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

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

The Board of Directors opined that the consolidated financial statements of Forth Corporation Public Company Limited and its subsidiaries for the year ended 31 December 2016, which the audit committee have already reviewed with the management and the Company's auditors, presented fairly, in all material respects, the financial position and operating results in accordance with Thai Financial Reporting Standards.

(Mr. Sanit Vorapanya)

Chairman of the Board of Directors

(Mr.Pongchai Amatanon)

Chief Executive Officer

“ Independent Auditor’s report ”

To the Shareholders of Forth Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Forth Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Forth Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forth Corporation Public Company Limited and its subsidiaries and of Forth Corporation Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

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

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

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

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

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

Provision for diminution in value of inventory

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

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

Provision for loss of or damage to online top-up machine

A subsidiary renders online services through top-up machines and as at 31 December 2016, the net book value of these machines recorded under property, plant and equipment was Baht 1,812 million, or 26 percent of total assets as presented in the consolidated financial statements. The online top-up machines are installed at locations around the country and the subsidiary is therefore exposed to the risk of loss of or damage to this online top-up machines, and the risk of theft of the cash receipts kept in the online top-up machines. I therefore addressed the existence of the online top-up machines and the amount of the provision for loss of or damage to the online top-up machines as a key audit matter.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Sirirat Sricharoensup.

Sirirat Sricharoensup

Certified Public Accountant (Thailand) No. 5419

EY Office Limited

Bangkok: 24 February 2017

“ Statement of Financial Position ”

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents		428,127,677	366,306,524	145,405,370	84,685,544
Trade and other receivables	6, 7	1,531,596,271	1,455,310,265	579,828,097	1,344,494,810
Short-term loans to related parties	8	-	-	55,357,359	28,815,552
Unbilled receivables		362,210,339	598,799,298	100,139,572	95,185,059
Inventories	9	1,185,273,112	967,260,139	709,039,021	514,728,443
Other current assets		445,206,122	423,144,119	121,828,697	151,789,552
Total current assets		3,932,413,523	3,810,922,345	1,711,588,116	1,819,698,760
Non-current assets					
Restricted bank deposits	9	23,676,473	22,701,966		
Investments in subsidiaries	10			582,035,735	486,491,470
Investments in associates	11	31,359,751	38,699,835	21,247,856	64,766,083
Other long-term investment	12	20,000,000	-	20,000,000	-
Investment properties	13			375,918,855	
Property, plant and equipment	14	2,518,563,923	1,851,545,835	500,278,126	768,944,127
Intangible assets	15	38,325,974	20,406,748	7,323,292	8,708,486
Leasehold rights		19,277,997	19,402,905	18,277,997	19,402,905
Deferred tax assets	22	237,244,458	188,931,023	45,226,581	39,609,181
Other non-current assets		54,397,944	21,396,540	28,954,467	10,204,868
Total non-current assets		2,937,046,515	2,162,984,872	1,602,233,909	1,409,958,130
Total assets		6,869,460,035	5,973,907,217	3,313,797,025	3,329,652,990

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

“ Statement of Financial Position ”

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short term loans from financial institutions	16	1,540,000,000	1,644,159,700	475,000,000	841,107,285
Trade and other payables	8, 17	987,083,177	883,554,272	590,197,540	442,000,322
Current portion of long-term loans	18	378,494,835	217,339,902	167,988,210	172,031,502
Corporate income tax payable		30,758,159	65,867,041	5,795,215	28,071,374
Other current liabilities		788,558,248	573,857,240	51,580,430	46,182,182
Total current liabilities		3,672,895,354	3,184,497,755	1,220,542,795	1,330,393,215
Non-current liabilities					
Long-term loans, net of current portion	18	518,164,414	246,873,377	205,618,453	246,873,377
Provision for long term employee benefits	19	48,953,927	35,221,358	19,888,403	14,673,762
Other non-current liabilities		1,111,888	926,274	-	-
Total non-current liabilities		567,230,210	283,021,007	225,287,858	261,547,139
Total liabilities		4,240,125,564	3,467,518,762	1,445,830,651	1,592,197,154
Shareholders' equity					
Share capital					
Registered					
1,000,000,000 ordinary shares at Baht 0.5 each		500,000,000	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	20	48,000,000	48,000,000	48,000,000	48,000,000
Unappropriated		885,765,757	830,325,132	977,408,497	816,987,859
Other components of shareholder equity		201,253,213	200,331,283	-	-
Equity attributable to owners of the Company		1,957,576,847	1,920,214,292	1,867,966,374	1,707,525,736
Non-controlling interests of the subsidiaries		671,759,594	585,874,163		
Total shareholders' equity		2,629,336,441	2,506,288,455	1,867,966,374	1,707,525,736
Total liabilities and shareholders' equity		6,869,460,005	5,973,807,217	3,313,797,025	3,299,722,890

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

“ Statement of comprehensive income ”

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales		1,967,455,596	1,874,153,680	1,782,304,558	1,672,815,844
Services		2,628,401,921	2,017,115,061	185,411,151	816,862,413
Revenues from project work		665,087,124	1,328,904,049	209,000,228	630,890,565
Other income					
Dividend income		-	-	190,598,642	152,418,007
Gain (loss) on exchange		10,283,180	(1,538,811)	8,520,421	11,843,504
Others		164,183,327	107,107,020	60,088,039	38,001,580
Total revenues		5,436,205,131	5,127,601,039	2,405,253,210	2,751,145,213
Expenses					
Cost of sales		1,458,494,205	1,457,658,105	1,280,202,041	1,148,893,203
Cost of services		1,681,535,154	1,742,615,879	117,386,451	104,162,185
Cost of project work		635,015,557	972,874,011	145,239,574	418,602,889
Selling expenses		160,605,773	121,724,139	15,571,711	28,590,545
Administrative expenses		781,131,387	594,678,205	325,331,632	290,619,221
Loss from acquisition of share from non-controlling interests		1,005,580	-	-	-
Total expenses		4,861,084,046	4,318,808,460	1,893,041,839	2,052,961,170
Profit before share of profit (loss) from investments					
in associates, finance cost and income tax expense		735,120,103	808,757,829	512,211,408	650,131,067
Share of profit (loss) from investments in associates	17.3	6,102,041	(224,575)		
Profit before finance cost and income tax expenses		741,302,554	808,530,054	512,211,408	650,134,067
Finance cost		(92,457,581)	(101,414,854)	(32,588,050)	(48,801,482)
Profit before income tax expense		648,845,273	707,112,700	479,543,349	622,882,565
Income tax expenses	32	(58,554,041)	(100,642,635)	(21,141,292)	(54,780,287)
Profit for the year		580,291,302	606,470,065	458,047,057	567,884,278
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Exchange differences on translation of					
financial statements in foreign currency		1,221,980	-	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		1,221,980			
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Actuarial losses		(4,303,526)	-	(1,539,274)	-
Less: Income tax effect	22	1,001,876		307,856	
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(3,211,752)	-	(1,231,418)	-
Other comprehensive income for the year		(1,989,524)	-	(1,231,418)	-
Total comprehensive income for the year		588,297,110	606,470,065	456,540,638	567,884,278

The accompanying notes are an integral part of the financial statements

“ Statement of comprehensive income ”

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		[illegible]	[illegible]	[illegible]	[illegible]
Non-controlling interests of the subsidiaries		[illegible]	[illegible]		
		[illegible]	[illegible]		
Total comprehensive income attributable to:					
Equity holders of the Company		[illegible]	[illegible]	[illegible]	[illegible]
Non-controlling interests of the subsidiaries		[illegible]	[illegible]		
		[illegible]	[illegible]		
Basic earnings per share	34				
Profit attributable to equity holders of the Company		[illegible]	[illegible]	[illegible]	[illegible]

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

“ Cash Flow Statement ”

For the year ended 31 December 2016

(Unit: Baht)

	Consolidate financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	948,844,273	202,172,710	474,543,340	826,[illegible]
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities				
Depreciation	281,935,784	212,651,195	45,840,452	50,581,377
Amortization for intangible assets	3,654,212	5,731,341	1,612,759	1,[illegible]
Amortization for leasehold right and others	1,394,408	1,340,409	1,124,936	1,124,936
Write off of equipment	3,636,509	5,630,205	19,799	23,020
Reversal of inventory losses	(8,651,907)	(21,164,481)	(1,391,675)	(14,[illegible])
Write off of bad debts	8,400,000	2,624,281	5,400,000	2,564,65[illegible]
Write off of withholding tax deducted at sources	2,400	431,489		
Decrease (increase) to net realizable value	15,737,323	84,121,600	21,038,220	52,205,534
Reversal of expected loss from project work		(2,421,700)		
Reversal of loss from impairment of investment in subsidiary	-	-	-	(503,730)
Impairment loss on equipment (reversal)	6,032,205	(3,250,265)	3,940,000	-
Unrealized gain on exchange	1,806,389	(4,631,409)	[illegible]	(5,[illegible])
Reversal of impairment loss on right to distribute tea oil from associate intangible assets	-	(1,078,921)	-	-
Loss from cancellation of exploration and evaluation assets	7,035,582	-	-	-
Share of loss (profit) from investments in associates	(8,192,371)	227,375		
Gain on sale of property, plant and equipment	(2,056,574)	(764,782)	(1,775,054)	(403,[illegible])
Dividend income	-	-	(192,586,842)	(152,738,027)
Increase in provision for long-term employee benefits	8,632,512	7,210,771	1,880,000	2,[illegible]
Interest expenses	69,642,325	83,813,445	30,040,624	43,165,938
Profit from operating activities before changes in operating assets and liabilities	1,062,427,367	1,068,944,685	594,938,205	635,183,436
Operating assets (increase) decrease				
Trade and other receivables	(77,854,185)	(110,916,480)	484,812,615	(56,921,040)
Inventories	(220,[illegible]21,062)	85,906,417	(213,339,837)	73,338,223
Other receivables	208,656,480	561,[illegible]	(1,867,[illegible])	117,181,[illegible]
Other current assets	(110,770,564)	3,068,704	(75,490,200)	11,477,471
Other non current assets	(30,217,404)	21,033,714	(13,749,398)	(4,175,436)
Operating liabilities increase (decrease)				
Trade and other payables	271,650,303	(297,927,367)	74,1[illegible]7,050	(220,004,890)
Other current liabilities	178,211,512	54,872,161	[illegible]	(42,[illegible])
Other non current liabilities	(242,271)	(126,011)	(242,271)	(123,91[illegible])
Cash flows from operating activities	1,309,672,477	1,425,346,439	629,130,233	417,505,690
Cash paid for interest expenses	(71,234,268)	(84,206,504)	(30,291,681)	(45,[illegible])
Cash paid for corporate income tax	(169,756,375)	(115,002,487)	(62,067,636)	(10,171,[illegible]24)
Cash receipts from income tax	108,[illegible],424	3,[illegible]	108,[illegible]	-
Net cash flows from operating activities	1,176,410,593	1,229,[illegible]26,334	654,360,940	351,[illegible],272

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

“ Cash Flow Statement ”

For the year ended 31 December 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	1,825,515	(5,397,557)	-	-
Decrease in current investments	-	385,000,000	-	-
Increase in other long-term investment	(20,000,000)	-	(20,000,000)	-
Proceeds from sales of property, plant and equipment	3,916,224	856,302	1,595,776	420,654
Acquisition of investment properties			(63,834,342)	
Acquisition of property, plant and equipment	(927,036,537)	(630,862,594)	(92,100,954)	(32,015,852)
Payments of other payables for purchases of equipment		(120,000,000)		(120,000,000)
Acquisition of computer software	(11,432,437)	(5,631,380)	(287,555)	(81,110)
Increase in short-term loans to related parties	-	-	(25,041,807)	(101,872,200)
Cash receipts from short-term loans to related parties			1,500,000	151,000,000
Cash receipts from dividend of subsidiaries and associates	3,457,364	11,830,445	190,536,342	152,739,007
Cash paid for subsidiary's share capital	-	-	(6,750,000)	-
Cash paid for acquisition of investment in subsidiary (Note 10.1)	(27,422,519)	-	(35,416,036)	-
Increase in investments in subsidiaries	-	-	-	(35,989,870)
Write-off of investment in subsidiary	-	-	-	500,700
Net cash flows from (used in) investing activities	(978,651,369)	(365,000,589)	(55,838,638)	24,705,191
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	(88,156,403)	(141,771,721)	(185,107,795)	(40,389,677)
Cash receipts from long-term loans	787,250,000	120,000,000	120,750,000	120,000,000
Repayments of long-term loans	(317,600,000)	(172,410,400)	(175,875,710)	(106,000,700)
Repayment of liabilities under finance lease agreement	(357,823)	(596,432)	-	-
Dividend paid	(326,400,000)	(209,000,000)	(320,400,000)	(298,000,000)
Dividend paid to non-controlling interests of the subsidiary	(138,879,134)	(143,220,195)	-	-
Proceeds from non-controlling interests of the subsidiaries for increase in the subsidiaries' share capital	30,000	35,000,000	-	-
Net cash flows used in financing activities	(139,031,287)	(569,956,751)	(507,032,511)	(317,683,755)
Increase in translation adjustments	1,090,040	-	-	-
Net increase in cash and cash equivalents	61,819,160	172,001,714	60,719,320	32,382,996
Cash and cash equivalents at beginning of year	368,308,524	193,946,510	84,645,544	51,102,545
Cash and cash equivalents at end of year	429,127,677	365,008,324	145,405,370	84,085,544
Supplemental disclosures of cash flows information				
Non-cash transactions				
Conversion of short-term loan to long-term loan	-	40,366,236	-	40,366,236
Transfer assets awaiting installation to intangible assets	10,440,000	5,878,000		
Transfer assets to inventories	9,335,544	7,895,544	-	-
Acquisition of motor vehicle under lease agreement	-	1,851,000	-	-

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

“Statement of changes in shareholders' equity”

For the year ended 31 December 2016

[illegible]

	Consolidated financial statements										
	Equity attributable to the Company										
					Other components of equity						
						[illegible]					
	Issued share capital	Share premium	Retained earnings		Exchange differences on translation of foreign currency	[illegible]	Capital surplus	Total other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests	Total shareholders' equity
			Appropriated for statutory reserve	Unappropriated							
[illegible]	400,000,000	351,057,977	48,306,030	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]					[illegible]	[illegible]	[illegible]
[illegible]	-	-	-	[illegible]	-	-	-	-	[illegible]	[illegible]	[illegible]
[illegible]	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
[illegible]				[illegible]					[illegible]		[illegible]
[illegible]	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	-	-	-	[illegible]	-	-	-	-	[illegible]	[illegible]	[illegible]
[illegible]	-	-	-	[illegible]	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	-	-	-	[illegible]	-	-	-	-	[illegible]	-	[illegible]
[illegible]	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
[illegible]										[illegible]	[illegible]
[illegible]	400,000,000	351,057,977	48,306,030	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

" Statement of changes in shareholders' equity "

For the year ended 31 December 2016

(Unit: Baht)

	Separate financial statements				
			Retained earnings		
	Issued and fully paid-up share capital	Share premium	Appropriated - Statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2015	450,000,000	362,557,877	45,000,000	587,083,561	1,457,641,438
Profit for the year	-	-	-	967,884,278	967,884,278
Total comprehensive income for the year	-	-	-	967,884,278	967,884,278
Dividend payment (Note 27)				(288,000,000)	(288,000,000)
Balance as at 31 December 2015	450,000,000	362,557,877	45,000,000	846,967,839	1,637,526,716
Balance as at 1 January 2016	450,000,000	362,557,877	45,000,000	846,967,839	1,637,526,716
Profit for the year	-	-	-	458,072,057	458,072,057
Other comprehensive income for the year	-	-	-	(1,231,419)	(1,231,419)
Total comprehensive income for the year	-	-	-	456,840,638	456,840,638
Dividend payment (Note 27)	-	-	-	(326,400,000)	(326,400,000)
Balance as at 31 December 2016	450,000,000	362,557,877	45,000,000	977,406,497	1,837,964,374

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

“ Notes to consolidated financial statements ”

For the year ended 31 December 2016

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, Phahonyothin Road, Samsennai, Phayathai, Bangkok. The factory of the Company is at 77 Moo 11, Phutthamonthon 5 Road, Raikhing, Samoran, Nakornpratom.

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	2015	2015	2015
			%	%	(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	45	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 Lighting Co., Ltd.	Manufacture and distribution of lamps and lighting equipment	Thailand	100	100	10,000	3,250
Forth Mobile Co., Ltd.	Distribution of electronic mobile	Thailand	85	85	40,000	40,000
Forth Vending Co., Ltd.	Management of vending machines	Thailand	50**	50**	80,000	80,000
Mindanao Commtech Inc.	Payment service via automatic teller machines	Philippines	100***	40	110,160	43,348

* 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.

*** Change status from an associate to a subsidiary on 20 September 2016

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

h) The excess of book value of net assets, acquired in subsidiaries under common control, over the price at which they were exchanged is presented in other components of equity in the consolidated statement of changes in shareholders' equity under the caption "Retained earnings of subsidiaries arising from the Company swapping shares of subsidiaries at a price lower than net book value of the subsidiaries as at the acquisition date".

2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

3. New financial reporting standards

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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 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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenues recognition

Sales of goods

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

Rendering of services

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

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

Revenues from project work

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

Dividends

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

Other income

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

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

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

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

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

4.2 Cost of project work

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

4.3 Cash and cash equivalents

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

4.4 Trade accounts receivable

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

4.5 Inventories

Finished goods and work in process are valued at the lower of cost (first-in, first-out method) and 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 Investment properties

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

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

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

4.8 Property, plant and equipment and depreciation

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

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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

4.9 Intangible assets and amortisation

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

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

Intangible assets with finite useful lives are as follows:

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

4.10 Related party transactions

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

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

4.11 Long-term leases

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

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

4.12 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

4.15 Provisions

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Forward currency contracts

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

4.18 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an 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.

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)

	Transfer pricing policy	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Transactions with subsidiaries companies					
(eliminated from the consolidated financial statements)					
Purchases of raw materials	Compared to market price	-	-	227	290
Purchases of goods	Agreed price	-	-	-	11
Sales of goods	Compared to market price	-	-	1,063	943
Service income	Agreed price	-	-	21	3
Revenue form project work	Agreed price	-	-	20	-
Other income	Agreed price	-	-	11	12
Dividend income	As declared	-	-	187	141
Interest income	Interest at 3.00 - 5.00 % per annum	-	-	1	2
Rental income	Agreed price	-	-	9	8
Selling and administrative expenses	Agreed price	-	-	-	1
Cost of project work	Agreed price	-	-	16	1
Transactions with associated companies					
Sales of goods	Compared to market price	15	11	8	10
Other income	Agreed price	4	-	4	-
Dividend income	As declared	3	-	3	12
Transactions with directors and related individuals					
Rental expenses	Agreed price	1	1	1	1

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade and other receivables - related parties (Note 7)				
Subsidiaries	-	-	117,532	342,199
Associated companies	29	11,136	29	9,710
Total trade and other receivables - related parties	29	11,136	117,561	351,909

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	126,021	184,730
Associated companies	11,827	12,058	11,765	11,800
Directors	1,680	300	1,200	300
Total trade and other payables - related parties	13,507	12,358	138,986	196,830

Short-term loans to related parties

As at 31 December 2016 and 2015, the balance of short-term loans to related parties and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
	Relationship	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Forth Consulting Co., Ltd.	Subsidiary	10,410	3,650	(1,500)	12,560
Forth Meter Co., Ltd.	Subsidiary	18,405	-	-	18,405
Forth Lighting Co., Ltd.	Subsidiary	-	10,000	-	10,000
Minemap Commtech Inc.*	Subsidiary	-	14,392	-	14,392
Total		28,815	28,042	(1,500)	55,357

* Change status from an associate to a subsidiary on 20 September 2016

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	64,132	56,700	38,057	31,475
Post-employment benefits	1,536	1,583	624	1,279
Total	65,668	58,283	38,681	32,754

Guarantee obligations with related parties

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

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - related parties				
Age on the basis of due dates				
Not yet due	-	6,443	22,312	289,014
Past due				
Up to 3 months	-	130	8,836	34,740
3 - 6 months	-	-	32,427	6,093
6 - 12 months	-	369	34,144	4,184
Over 12 months	-	4,189	1,288	4,742
Total trade receivables - related parties	-	11,131	99,007	338,773
Trade receivables - unrelated parties				
Age on the basis of due dates				
Not yet due	893,085	825,630	220,896	352,333
Past due				
Up to 3 months	273,120	173,714	103,075	66,028
3 - 6 months	29,412	76,133	11,808	68,873
6 - 12 months	97,710	133,277	69,220	125,581
Over 12 months	113,437	139,458	57,923	73,389
Total	1,407,364	1,348,212	462,922	686,204
Less: Allowance for doubtful debts	(41,716)	(45,099)	(3,180)	(10,377)
Total trade accounts receivable - unrelated parties, net	1,365,648	1,303,113	459,742	675,827
Total trade receivables - net	1,365,648	1,314,244	558,749	1,014,600

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Other receivables				
Accrued income	142,182	134,048	2,254	13,216
Less: Allowance for doubtful debts	(4,000)	(4,000)	-	-
Accrued income - net	138,182	130,048	2,254	13,216
Advances to unrelated parties	37,686	24,238	21,062	24,165
Less: Allowance for doubtful debts	(20,946)	(24,096)	(20,946)	(24,096)
Advances to unrelated parties - net	16,740	142	116	69
Other receivables - unrelated parties	13,217	13,091	2,376	5,654
Less: Allowance for doubtful debts	(2,220)	(2,220)	(2,220)	(2,220)
Other receivables - unrelated parties - net	10,997	10,871	156	3,474
Advances to related parties	27	-	295	41
Other receivables - related parties	2	5	12,456	10,732
Accrued income - related parties	-	-	2,546	4
Interest receivables from related parties	-	-	3,257	2,359
Total other receivables - net	165,948	141,066	21,080	29,895
Trade and other receivables - net	1,531,596	1,455,310	579,629	1,044,495

As at 31 December 2016, the balances of trade receivables in the consolidated financial statements included an account receivable of Baht 12 million (2015: Baht 23 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 2 million (2015: Baht 4 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	
	2016	2015	2016	2015	2016	2015
Raw materials	589,144	408,556	(107,532)	(95,280)	481,612	313,276
Work in process	163,070	153,473	(12,996)	(21,774)	150,074	131,699
Finished goods	658,979	631,302	(157,611)	(145,348)	501,368	485,954
Goods in transit	32,219	2,285	-	-	32,219	2,285
Project in progress	-	34,046	-	-	-	34,046
Total inventories	1,443,412	1,229,662	(278,139)	(262,402)	1,165,273	967,260

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Raw materials	467,880	304,972	(88,316)	(80,613)	379,564	224,359
Work in process	137,951	99,584	(8,144)	(4,753)	129,807	94,831
Finished goods	276,264	246,357	(86,957)	(76,993)	189,307	169,364
Goods in transit	10,330	60	-	-	10,330	60
Project in progress	-	26,112	-	-	-	26,112
Total inventories	892,425	677,085	(183,417)	(162,359)	709,008	514,726

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 16 million (2015: Baht 62 million) (The Company only: Baht 21 million and 2015: Baht 52 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	
	2016	2015	2016	2015	2016	2015	2016	2015
Electronics Source Co., Ltd.	54,978	54,978	-	-	54,978	54,978	49,999	20,000
Genius Traffic System Co., Ltd.	200,056	200,056	-	-	200,056	200,056	20,000	-
Joint Venture Genius	14,210	14,210	-	-	14,210	14,210	-	-
Forth Smart Service Plc.	183,000	183,000	-	-	183,000	183,000	117,120	120,750
Forth Consulting Co., Ltd.	7,000	7,000	-	-	7,000	7,000	-	-
Forth Lighting Co., Ltd.	10,000	3,250	-	-	10,000	3,250	-	-
Forth Motor Co., Ltd.	18,000	18,000	(18,000)	(18,000)	-	-	-	-
Forth Vending Co., Ltd.	36,000	36,000	-	-	36,000	36,000	-	-
Mindmap Commtech Inc.*	76,764	-	-	-	76,764	-	-	-
Total	600,006	516,492	(18,000)	(18,000)	582,006	498,492	187,119	140,750

* Change status from an associate to a subsidiary on 20 September 2016

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

During the second quarter of the current year, the subsidiary called up an additional 75% of the additional ordinary shares, amounting to Baht 7 million. The Company has paid the additional ordinary shares in May 2016.

(b) On 14 May 2015, a meeting of the Company's Board of Directors passed a resolution approving the acquisition of the remaining ordinary shares of Mindmap Commtech Inc., an associate, from those shareholders of that company.

On 20 September 2016, the Company acquired 90,000 shares from these shareholders at a price of Pesos 500 per share, a total of Pesos 45 million (equivalent to approximately Baht 33 million). As a result, the Company's equity interest in Mindmap Commtech Inc. increased from 40% to 100% and it has control over this company. The Company therefore classified Mindmap Commtech Inc. as a subsidiary and has included the financial statements of such subsidiary in the consolidated financial statements from 20 September 2016 (share acquisition date).

The fair values of identified assets and liabilities of Mindmap Commtech Inc. as at the acquisition date were as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	5,993
Trade receivables	5,964
Other current assets	24,853
Property, plant and equipment - net	51,449
Other non-current assets	1,448
Total assets	89,807
Trade and other payables	24,660
Other current liabilities	20,709
Other non-current liabilities	775
Total liabilities	46,134
Total net assets	43,473
Net assets in the portion held by the Company	43,473
Investment in subsidiary - at cost	76,764
Less: Cumulative losses from investment in subsidiary - at the acquisition date	(26,945)
Add: Exchange differences on translation of financial statements in foreign currency	658
Net book value of investment at the acquisition date - at equity method	50,477
Loss from acquisition of shares from non-controlling interest of the subsidiary	(7,004)
Net assets in the portion held by the Company	43,473
Cash paid for acquisition of investment in subsidiary	33,416
Less: Cash and cash equivalents of the subsidiary	(5,993)
Net cash paid for acquisition of investment in subsidiary	27,423

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

(c) On 10 November 2015, a meeting of the Board of Directors of Forth Smart Service Public Company Limited, a subsidiary, passed a resolution approving investment in the establishment of new subsidiary, Forth Smart Trading Company Limited, to support the subsidiary's business expansion relating to online top-up machines both in distribution of goods and rendering of service, with a registered share capital of Baht 1 million (100,000 ordinary shares, Baht 10 per share). The new subsidiary has been registered on 12 September 2016 and the subsidiary holds 97% of its ordinary shares.

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	
	2016	2015	2016	2015	2016	2015	2016	2015
	(%)	(%)						
Forth Smart Service Plc.	54	54	641.7	552.0	225.1	147.4	136.9	145.2
Forth Vending Co., Ltd.	50	50	32.2	35.7	(3.5)	(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.	
	2016	2015	2016	2015
Current assets	1,002	720	20	81
Non-current assets	2,160	1,517	73	9
Current liabilities	1,695	1,218	20	11
Non-current liabilities	307	2	-	-

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December			
	Forth Smart Service Plc.		Forth Vending Co., Ltd.	
	2016	2015	2016	2015
Revenue	2,427	1,684	22	0.4
Profit (loss)	420	272	(7)	(0.5)
Other comprehensive income	1	-	-	-
Total comprehensive income	421	272	(7)	(0.5)

Summarised information about cash flow

(Unit: Million Baht)

	For the years ended 31 December			
	Forth Smart Service Plc.		Forth Vending Co., Ltd.	
	2016	2015	2016	2015
Cash flow from (used in) operating activities	773	629	(7)	8
Cash flow used in investing activities	(1,253)	(275)	(63)	(9)
Cash flow from (used in) financing activities	515	(301)	-	80
Net increase (decrease) in cash and cash equivalents	35	53	(70)	79

11. Investments in associates

11.1 Details of associates:

(Unit: Thousand Baht)

Company's name (Nature of business)	Country of incorporation	Shareholding percentage 2016 (%)	Shareholding percentage 2015 (%)	Consolidated financial statements: Cost 2016	Consolidated financial statements: Cost 2015	Consolidated financial statements: Carrying amounts based on equity method 2016	Consolidated financial statements: Carrying amounts based on equity method 2015	Separate financial statements: Cost 2016	Separate financial statements: Cost 2015	Separate financial statements: Allowance for impairment of investments 2016	Separate financial statements: Allowance for impairment of investments 2015	Separate financial statements: Carrying amounts based on cost method - net 2016	Separate financial statements: Carrying amounts based on cost method - net 2015
Mindmap Commtech Inc.* (Payment service via automatic teller machines)	Philippines	-	40	-	43,340	-	11,464	-	43,340	-	-	-	43,340
FPT Payment Technology JSC** (Payment service via automatic teller machines - under dissolution process)	Vietnam	20	20	16,549	16,549	11,049	11,049	16,549	16,549	(7,500)	(7,500)	11,049	11,049
Forth Tracking System Co., Ltd (Distribution of vehicle tracking equipment)	Thailand	34	34	10,199	10,199	20,312	16,189	10,199	10,199	-	-	10,199	10,199
Total				26,748	72,086	31,362	38,702	26,748	72,086	(7,500)	(7,500)	21,248	64,588

* Change status from an associate to a subsidiary on 20 September 2016

** The associate is in process of dissolution

11.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investments in associates during the years		Share of other comprehensive income from investments in associates during the years		Dividend received during the years	
	2016	2015	2016	2015	2016	2015
Mindmap Commtech Inc.*	(440)	(5,169)	-	-	-	-
FPT Payment Technology JSC**	-	-	-	-	-	-
Forth Tracking System Co., Ltd.	6,628	4,941	963	-	3,468	11,958
Total	6,182	(228)	963	-	3,468	11,958

* Change status from an associate to a subsidiary on 20 September 2016

** The associate is in process of dissolution

On 7 March 2016, the Company entered into a joint venture agreement with two counterparties to establish a joint venture. However, as at 31 December 2016, the joint venture was in process of establishment.

11.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December			Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	Foreign currency	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(Million)	(Million)								
Mindmap Connect Inc.*	PHP		150		97		51		139		(14)
FPT Payment Technology JSC**	VND	42,000	12,000	40	40	1	1	-	-	-	-
Forth Tracking System Co., Ltd.	THB	30	30	95	70	35	37	114	94	22	15

* Change status from an associate to a subsidiary on 30 September 2016

** The associate is in process of dissolution

12. Other long-term investment

During 2016, the Company purchased 200,000 ordinary shares of Odin Power Company Limited, amounting to Baht 20 million. The Company holds 10% interest, which is principally engaged in alternative energy power plant business.

13. Investment properties

The net book value of investment properties as at 31 December 2016 is presented below.

(Unit: Thousand Baht)

	Separate financial statements		
		Office building	
	Land	for rent	Total
31 December 2016			
Cost	340,986	38,070	379,056
Less: Accumulated depreciation	-	(139)	(139)
Net book value	340,986	37,931	378,917

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Separate financial statements	
	2016	2015
Net book value at beginning of year	-	-
Acquisition of assets	68,054	-
Transfers	310,202	-
Depreciation charged	(139)	-
Net book value at end of year	378,917	-

The fair value of the investment properties as at 31 December 2016 and 2015 stated below:

(Unit: Thousand Baht)

	Separate financial statements	
	2016	2015
Land and office building held for rent	427,070	-

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

14. 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	Total
Cost									
As at 1 January 2015	488,877	518	314,141	671,239	1,013,370	184,405	121,642	16,431	2,852,023
Additions	-	-	2,096	8,017	572,931	12,714	5,405	33,368	632,532
Disposal/written-off	-	-	(160)	(7,900)	(14,265)	(2,169)	-	(20)	(24,534)
Transferred in (transferred out)	-	-	11,716	-	-	7,979	430	(20,125)	-
Transfer assets to intangible assets	-	-	-	-	-	-	-	(5,378)	(5,378)
Transfer to inventories	-	-	-	-	(33,785)	-	-	(1,802)	(35,585)
As at 31 December 2015	488,877	518	327,673	671,356	1,538,250	202,929	127,477	62,474	3,419,558
Additions	128,947		5,997	10,677	635,819	100,397	7,451	48,416	937,904
Equipment of subsidiary acquired during the year	-	-	1,069	-	86,993	8,764	1,747	-	98,573
Disposal/written-off	-	-	-	(417)	(9,630)	(9,500)	(15,542)	(57)	(35,155)
Transferred in (transferred out)	2,540	-	70,947	-	-	13,196	-	(86,683)	-
Transfer assets to intangible assets								(10,440)	(10,440)
Transfer to inventories	-	-	-	-	(37,785)	-	-	-	(37,785)
Translation adjustment	-	-	11	-	980	69	18	-	1,058
As at 31 December 2016	620,364	518	405,697	681,616	2,216,815	313,855	121,150	13,710	4,373,723

(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 2015	-	63	157,839	581,783	436,271	129,590	89,079	-	1,398,625
Depreciation for the year	-	25	14,676	16,300	149,120	21,652	10,778	-	212,551
Depreciation on disposals	-	-	(180)	(7,996)	(8,523)	(1,890)	-	-	(18,589)
Depreciation on assets transferred to inventories	-	-	-	-	(27,790)	-	-	-	(27,790)
As at 31 December 2015	-	88	172,335	593,187	549,088	149,312	100,357	-	1,564,357
Depreciation for the year	-	26	17,111	16,363	226,490	21,425	9,920	-	291,935
Depreciation of equipment of subsidiary acquired during the year	-	-	710	-	44,474	6,705	610	-	52,499
Depreciation on disposals	-	-	-	(417)	(9,638)	(9,500)	(13,890)	-	(33,444)
Depreciation on assets transferred to inventories	-	-	-	-	(20,399)	-	-	-	(20,399)
Translation adjustment	-	-	7	-	410	68	6	-	534
As at 31 December 2016	-	114	190,133	609,703	720,425	168,010	98,994	-	1,047,452

(Unit: Thousand Baht)

	Consolidated financial statements								
	Land	Land improvement	Building	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total
Impairment of equipment									
As at 1 January 2015	-	-	-	-	6,506	-	-	-	6,506
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
Additions during the year	-	-	-	-	7,248	-	-	-	7,248
Decrease during the year	-	-	-	-	(1,216)	-	-	-	(1,216)
As at 31 December 2016	-	-	-	-	9,707	-	-	-	9,707
Net book value									
As at 31 December 2015	438,877	428	156,368	78,159	985,493	53,617	27,120	62,474	1,851,546
As at 31 December 2016	620,364	402	215,564	72,385	1,424,440	145,845	24,156	13,716	2,516,864
Depreciation for the years									
2015 (Baht 30 million included in manufacturing cost, and the balance in selling and administrative expenses)									212,991
2016 (Baht 30 million included in manufacturing cost, and the balance in selling and administrative expenses)									291,935

(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 2015	472,355	516	301,818	812,817	140,144	88,076	56,346	31,693	1,704,765
Additions	-	-	334	3,547	22,828	4,637	-	670	32,016
Disposals/written-off	-	-	(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	808,577	162,461	91,965	56,346	32,192	1,727,224
Additions	36,021	-	-	8,676	3,739	3,940	39	9,386	92,101
Disposals/written-off	-	-	-	(417)	(1,803)	(816)	(10,714)	(57)	(13,807)
Transferred in/ (Transferred out)	(278,010)	-	-	-	-	-	-	(32,192)	(310,202)
As at 31 December 2016	230,366	516	302,212	817,136	164,397	95,269	45,671	9,309	1,495,516
Accumulated depreciation									
As at 1 January 2015	-	60	152,258	545,436	97,497	67,207	54,862	-	917,220
Depreciation for the year	-	28	13,463	9,813	16,163	8,478	1,307	-	50,291
Depreciation on disposals	-	-	(180)	(7,887)	(511)	(745)	-	-	(9,314)
As at 31 December 2015		88	165,541	547,462	113,601	75,419	56,169		958,280
Depreciation for the year	-	26	13,273	10,443	15,534	8,991	234	-	48,501
Depreciation on disposals	-	-	-	(417)	(1,792)	(1,001)	(10,714)	-	(13,924)
As at 31 December 2016	-	114	178,814	557,488	127,343	83,409	45,689	-	992,857

(Unit: Thousand Baht)

	Separate financial statements								
	Land	Land improvement	Building	Machinery	Tools and equipment	Office equipment	Motor vehicles	Assets under construction	Total
Impairment of equipment									
As at 31 December 2015	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	3,940	-	-	-	3,940
As at 31 December 2016	-	-	-	-	3,940	-	-	-	3,940
Net book value									
As at 31 December 2015	472,365	428	136,671	61,115	48,860	16,546	777	22,792	758,544
As at 31 December 2016	250,566	402	123,398	59,678	33,114	13,139	582	9,329	500,278
Depreciation for the years									
2015 (Baht 23 m on included in manufacturing cost, and the balance in selling and administrative expenses)									50,391
2016 (Baht 23 m on included in manufacturing cost, and the balance in selling and administrative expenses)									46,501

As at 31 December 2016, 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 891 million (2015: Baht 809 million) (the Company only: Baht 724 million (2015: Baht 713 million)).

As at 31 December 2016, the Company and its subsidiaries had motor vehicles and equipment under finance lease agreements with net book value amounting to Baht 1 million (2015: Baht 3 million) (the Company only: Nil (2015: Nil)).

As at 31 December 2016, the Company has transferred land and building-in-use to investment property for rent to its subsidiaries.

A subsidiary has mortgaged its land and building, with a total net book value as at 31 December 2016 of approximately Baht 10 million, with bank to secure its long-term loan.

15. Intangible assets

The net book value of intangible assets as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Right to derive benefit from smart traffic boards	Computer software	Total	Computer software
As at 31 December 2016:				
Cost	234,865	57,430	292,268	20,205
Less: Amortisation	(234,865)	(19,077)	(253,942)	(12,882)
Net book value	-	38,326	38,326	7,323
As at 31 December 2015:				
Cost	234,865	35,530	270,395	19,908
Less: Amortisation	(234,865)	(15,123)	(249,988)	(11,199)
Net book value	-	20,407	20,407	8,709

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	20,407	13,149	8,709	10,366
Acquisition of computer software	11,433	5,632	297	81
Transfer assets awaiting installation to intangible assets	10,440	5,378	-	-
Amortisation	(3,954)	(5,782)	(1,683)	(1,738)
Reversal of impairment loss	-	2,030	-	-
Net book value at end of year	38,326	20,407	7,323	8,709

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.

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

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Bank overdrafts	MOR	-	7,383	-	-
Short-term loans from financial institutions	2.30 - 4.35, MMR, refer to MLR	1,548,000	1,588,290	475,000	592,600
Trust receipts	MMR, refer to MLR	-	48,507	-	48,507
Total		1,548,000	1,644,160	475,000	641,107

Bank overdrafts and revolving credit facilities of the Company and its subsidiaries are secured by transfers of most of collection rights for their project works. In addition, the Company guaranteed the facilities of the subsidiaries as described in Note 28.4 to the financial statements.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables - related parties	11,827	12,058	137,786	196,353
Trade payables - unrelated parties	723,509	478,698	328,809	192,585
Other payables - unrelated parties	17,102	50,110	9,025	17,603
Accrued expenses - unrelated parties	212,965	142,388	43,578	35,182
Accrued expenses - related parties	-	-	-	177
Accrued expenses - directors	1,680	300	1,200	300
Total trade and other payables	967,083	683,554	520,198	442,200

18. Long-term loans

(Unit: Thousand Baht)

Loan	Borrower	Lender	Loan Facility (Million Baht)	Interest rate	Repayment schedule	Consolidated financial statements 2016	Consolidated financial statements 2015	Separate financial statements 2016	Separate financial statements 2015
(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)	2,750	8,250	2,750	8,250
(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 2018)	-	33,333	-	33,333
(3)	The Company	Local bank	50	First year: MLR - 2.25% per annum Second year: MLR - 1.25% per annum Third to fifth years: MLR - 1.00% per annum	20 quarterly installments (ending in 2018)	22,500	32,500	22,500	32,500
(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)	40,808	95,410	40,808	95,410
(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)	189,000	249,375	189,000	249,375
(6)	The Company	Local bank	64	Fixed interest rate	36 monthly installments (ending 2019)	53,125		53,125	
(7)	The Company	Local bank	68	Fixed interest rate	36 monthly installments (ending 2019)	68,000		68,000	

(Unit: Thousand Baht)

Loan	Borrower	Lender	Loan Facility (Million Baht)	Interest rate	Repayment schedule	Consolidated financial statements 2016	Consolidated financial statements 2015	Separate financial statements 2016	Separate financial statements 2015
(8)	Electronics Source Co.,Ltd	Local bank	8	Refer to MLR	60 monthly installments (ending 2021)	7,125	-	-	-
(9)	Forth Smart Service Plc.	Local bank	120	Refer to MLR	36 monthly installments (ending in 2016)	-	45,000	-	-
(10)	Forth Smart Service Plc.	Local bank	130	Fixed interest rate	36 monthly installments (ending in 2019)	75,000	-	-	-
(11)	Forth Smart Service Plc.	Local bank	130	Refer to BIBOR + a margin as stipulated in the agreement	36 monthly installments (ending in 2019)	80,648	-	-	-
(12)	Forth Smart Service Plc.	Local bank	200	Fixed interest rate	36 monthly installments (ending in 2019)	153,898	-	-	-
(13)	Forth Smart Service Plc.	Local bank	200	Refer to 1M THBFIX – a margin as stipulated in the agreement	36 monthly installments (ending in 2019)	197,323	-	-	-
	Total					896,868	463,013	373,587	418,013
	Less: Current portion of long-term loans					(370,495)	(217,040)	(167,969)	(172,040)
	Long-term loans - net of current portion					526,164	246,873	205,618	245,873

Loan agreements no.(8) are secured by the mortgage of land and building of the subsidiary.

In order to hedge the interest rate risks as stipulated in loan agreement no.(13), the subsidiary entered into an interest rate swap agreement to swap a fixed interest rate as stipulated in the agreement for the period from 30 November 2016 to 30 December 2019.

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.(9) to (12), 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.

As at 31 December 2016, the subsidiary was unable to maintain certain financial ratio as stipulated in the loan agreement no.(11). The subsidiary requested the relaxation for not complying with such covenants from the bank and it received the relaxation in December 2016.

19. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	35,221	28,133	14,674	11,790
Included in profit or loss:				
Current service cost	7,535	5,617	2,657	2,340
Interest cost	1,992	1,601	842	674
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	5,267	-	1,538	-
Benefits paid during the year	(242)	(130)	(242)	(130)
Acquisitions of subsidiary during the year	178	-	-	-
Translation adjustment	3	-	-	-
Provision for long-term employee benefits at end of year	49,954	35,221	19,669	14,674

Long-term employee benefit expenses for the year ended 31 December 2016 and 2015 recognised in selling and administrative expenses in the profit or loss.

The Company and its subsidiaries expect to pay Baht 0.2 million of long-term employee benefits during the next year (Separate financial statements: 0.2 million) (2015: Baht 3.6 million, separate financial statements: Nil).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 23 - 30 years (Separate financial statements: 25 years) (2015: 20 - 28 years, Separate financial statements: 25 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	3.5 - 4.8	4.6 - 4.8	3.56	4.8
Salary increase rate	1.5 - 11.8	5.0 - 11.8	6.65	5.0
Turnover rate	2.4 - 55.6	5.0 - 62.5	6.6 - 31.5	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 2016 and 2015 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase/Decrease 1%)	(5,530)	6,387	(2,166)	2,559
Salary increase rate (Increase/Decrease 1%)	6,127	(5,377)	2,453	(2,126)
Turnover rate (Increase/Decrease 10%)	(4,337)	4,915	(2,620)	3,111

(Unit: Thousand Baht)

	As at 31 December 2015			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase/Decrease 0.50%)	(1,871)	1,993	(819)	849
Salary increase rate (Increase/Decrease 1%)	4,847	(4,189)	2,080	(1,825)
Turnover rate (Increase/Decrease 10%)	(2,804)	3,220	(1,590)	1,818

20. 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.

21. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Salaries and wages and other employee benefits	629,725	605,435	338,793	333,234
Depreciation	291,935	212,551	46,640	50,391
Amortisation	5,295	7,123	2,808	2,863
Raw materials and consumables used	1,857,306	1,710,977	1,272,883	1,293,303
Changes in finished goods and work in progress	3,228	8,799	42,162	34,415

22. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	104,438	125,481	27,157	40,217
Adjustment in respect of income tax of previous year	209	7,652	(375)	8,025
Deferred tax:				
Relating to origination and reversal of temporary differences	(45,874)	(32,490)	(5,311)	6,256
Translation adjustment	(215)	-	-	-
Income tax expenses reported in the statement of comprehensive income	58,558	100,643	21,471	54,498

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax relating to actuarial losses	1,092	-	308	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	648,845	707,113	479,543	622,383
Applicable tax rate (%)	20	20	20	20
Accounting profit before tax multiplied by applicable tax rate	129,769	141,423	95,909	124,477
Adjustment in respect of income tax of previous year	209	7,652	(375)	8,025
Effects of:				
Promotional privileges (Note 23)	(41,011)	(47,430)	(37,599)	(47,430)
Non-deductible expenses	6,463	1,920	2,070	32
Additional expense deductions allowed	(37,902)	(375)	-	(137)
Tax-exempted revenue	-	-	(38,117)	(30,548)
Utilisation of previously unrecognised tax losses	-	(6,863)	-	-
Unused tax losses of current year	2,163	2,530	-	-
Others	(1,133)	1,786	(417)	79
Total	(71,420)	(48,432)	(74,063)	(78,004)
Income tax expenses reported in the statement of comprehensive income	59,558	100,643	21,471	54,499

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for doubtful accounts	6,586	4,713	706	973
Allowance for diminution in value of inventories	54,774	51,392	36,683	32,472
Allowance for asset impairment	2,103	789	788	-
Unrealised profit from inter-sales transactions	149,935	108,279	-	-
Provision for long-term employee benefits	9,807	6,909	3,934	2,935
Provisions	3,171	3,228	3,176	3,228
Unused tax losses	10,673	13,521	-	-
Other	315	-	-	-
Total	237,244	188,831	45,227	39,608

As at 31 December 2016, the subsidiaries have unused tax losses totaling Baht 47 million (2015: Baht 70 million) (the Company only: Nil (2015: 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 2021.

23. 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/2543. 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 2016, the subsidiary has not generated revenues from promoted operation.

Another subsidiary has received various tax privileges under the Investment Promotion Act B.E. 2520 from the Board of Investment (BOI) pursuant to the investment promotion certificates No. 58-2258-0-00-2-0. Subject to certain imposed conditions, the privileges include an income tax exemption on profit derived from the promoted operations for a period of 8 years from the date the promoted operations begin generating revenues (January 2015).

The Company's operating revenues for the years ended 31 December 2016 and 2015, divided between promoted and non promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Sales	38,749	32,672	1,928,711	1,641,512	1,967,460	1,674,184
Services	-	-	2,628,402	2,017,415	2,628,402	2,017,415
Revenues from project work	-	-	665,897	1,329,904	665,897	1,329,904
Other income	-	-	164,446	105,558	164,446	105,558
Total revenues	38,749	32,672	5,387,456	5,094,389	5,426,205	5,127,061

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Sales	873,886	865,722	888,119	706,894	1,762,005	1,572,616
Services	-	-	186,414	316,352	186,414	316,352
Revenues from project work	-	-	209,335	858,994	209,335	858,994
Other income	-	-	247,499	203,183	247,499	203,183
Total revenues	873,886	865,722	1,531,367	1,945,423	2,405,253	2,751,145

24. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit for the year (Thousand Baht)	365,819	459,842	458,072	567,884
Weighted average number of ordinary shares (Thousand shares)	960,000	960,000	960,000	960,000
Earnings per share (Baht per share)	0.38	0.48	0.48	0.59

25. Segment information

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

1) Electronics manufacturing service business is a business segment which designs, manufactures of consigns and turnkey projects, and sales of semiconductor electronic parts which is raw material to produce print circuit boards.

2) Telecommunication business is a business segment which designs the network to serve both Narrowband (voice related services) and Broadband (Internet related services) through both copper wire and optical fiber cable network, including sales of telecommunication exchange equipment, equipment for the Multi Service Access Node (MSAN), WDM Access Switch, and Call Center system.

3) Related technology business is a business segment which manufactures, distributes and turnkey on installing the traffic system, tracking system, electronic meters, electronic sign, advertising fee collection from smart traffic boards, and enterprise resource planning service.

4) Retail business is a business segment which provides domestic and oversea value added top-up or online payment through kiosk system.

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

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

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.

(Unit: Million Baht)

	Consolidated financial statements for the years ended 31 December											
	Electronics manufacturing service business [1]		Telecommunication business [2]		Related technology business [3]		Retail business [4]		Elimination of inter-segment revenues		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	1,657	1,318	284	727	1,022	1,388	2,319	1,588	-	-	5,282	5,021
Inter-segment revenues	344	412	914	798	128	252	-	-	(1,386)	(1,462)	-	-
Total revenues	2,001	1,730	1,178	1,525	1,150	1,640	2,319	1,588	(1,386)	(1,462)	5,282	5,021
Segment operating profit	369	277	101	212	296	514	714	516	-	-	1,480	1,519
Unallocated income (expenses):												
Other income											164	106
Selling expenses											(109)	(122)
Administrative expenses											(794)	(694)
Loss from acquisition of share from non-controlling interests											(7)	-
Share of profit from investments in associates											8	
Finance cost											(92)	(101)
Income tax expenses											(58)	(101)
Profit for non-controlling interests of the subsidiaries											(224)	(147)
Profit for the years attributable to equity holders of the Company											366	460

Segment assets of the Company and its subsidiaries as at 31 December 2016 and 2015 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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Property, plant and equipment	64	42	-	-	79	76	2,244	1,500	520	769	(370)	(536)	2,517	1,851
Other assets	736	711	-	-	916	1,141	1,121	827	2,817	2,561	(1,234)	(1,147)	4,353	4,123
Total assets	800	753	-	-	995	1,217	3,365	2,327	3,314	3,330	(1,604)	(1,683)	6,870	5,974

Geographic Information

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

Major customers

For the year 2016, the Company and its subsidiaries have no major customer with revenue of 10 percent of more of an entity's revenues (2015: Baht 158 million and Baht 980 million derived from two major customers, arising from sales by telecommunication business and related technology business segments)

26. 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 2016 amounting to approximately Baht 8 million (2015: Baht 7 million) (the Company only: Baht 5 million (2015: Baht 4 million)) were recognised as expenses.

27. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Dividends for 2015	2016 Annual General Meeting of the shareholders on 22 April 2016	163	0.17
Interim dividend paid from profit for the six-month period ended 30 June 2016	The Board of Directors' Meeting on 11 August 2016	163	0.17
Total for 2016		326	0.34
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

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2016, the Company and its subsidiaries had capital commitments of approximately Baht 9 million (2015: Baht 52 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 :	2016	2015
In up to 1 year	23	17
In over 1 and up to 5 years	41	25
In over 5 years	71	80

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	
	2016	2015
Payable within:		
In up to 1 year	6	6
In over 1 and up to 5 years	22	22
In over 5 years	-	5

26.3 Other commitments

As at 31 December 2016, the Company had commitments amounting to Baht 3.12 million, USD 8 million and JPY 17 million in relation to the agreements to purchase of goods (2015: USD 4 million and JPY 27 million).

26.4 Guarantees

a) The Company has guaranteed loan and credit facilities of its subsidiaries amounting to Baht 1,100 million (2015: Baht 1,220 million).

b) As at 31 December 2016, there were outstanding bank guarantees amounting to approximately Baht 734 million (2015: Baht 542 million) issued by banks on behalf of the Company and its subsidiaries, of which Baht 337 million (2015: Baht 279 million) was on behalf of the Company only. These were in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries.

29. Fair value hierarchy

As at 31 December 2016 and 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		
	As at 31 December 2016		
	Level 1	Level 2	Level 3
Liabilities measured at fair value			
Foreign currency forward contracts	-	0.4	-

(Unit: Million Baht)

	Consolidated Financial Statements		
	As at 31 December 2015		
	Level 1	Level 2	Level 3
Assets measured at fair value			
Foreign currency forward contracts	-	3	-

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2016		
	Level 1	Level 2	Level 3
Liabilities measured at fair value			
Foreign currency forward contracts	-	0.4	-
Assets for which fair value are disclosed			
Investment properties			427

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2015		
	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.

30. Financial Instruments

30.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

As at 31 December 2016 and 2015, 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 2016						
	Fixed interest rates			Floating			
	Within 1 year	1-5 years	Over 5 years	interest rate	Non-interest bearing	Total	Interest rate (% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	513	115	428	0.10 - 1.10
Trade and other receivables	-	-	-	-	1,532	1,532	-
Unbilled receivables					362	362	
Restricted bank deposits	6	-	-	12	-	20	0.50 - 1.75
	6	-	-	325	2,009	2,342	
Financial liabilities							
Bank overdrafts and short term loans from financial institutions	1,548	-	-	-	-	1,548	2.30 - 3.10
Trade and other payables					968	968	-
Long-term loans	-	555	-	332	-	887	3.80 - 4.12, refer to MLR
	1,548	555	-	332	968	3,403	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2015						
	Fixed interest rates			Floating			
	Within 1 year	1-5 years	Over 5 years	interest rate	Non-interest bearing	Total	Interest rate (% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	225	140	365	0.10 - 1.00
Trade and other receivables	-	-	-	-	1,455	1,455	-
Unbilled receivables	-	-	-	-	599	599	-
Restricted bank deposits	9	-	-	14	-	25	0.38 - 1.30
	9			240	2,194	2,443	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2015						
	Fixed interest rates			Floating			
	Within 1 year	1-5 years	Over 5 years	interest rate	Non-interest bearing	Total	Interest rate (% per annum)
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)

	Separate financial statements						
	As at 31 December 2016						
	Fixed interest rates			Floating			
	Within 1 year	1-5 years	Over 5 years	interest rate	Non-interest bearing	Total	Interest rate (% per annum)
Financial assets							
Cash and cash equivalents				144	1	145	0.10 - 1.10
Trade and other receivables	-	-	-	-	580	580	-
Short term loans to related parties	55	-	-	-	-	55	3.00 - 5.00
Unbilled receivables	-	-	-	-	100	100	-
	55	-	-	144	681	880	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	475	-	-	-	-	475	2.30 - 2.35
Trade and other payables					520	520	-
Long-term loans	-	130	-	244	-	374	4.00, refer to MLR
	475	130	-	244	520	1,369	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2015						
	Fixed interest rates			Floating			
	Within 1 year	1-5 years	Over 5 years	interest rate	Non interest bearing	Total	Interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	44	41	85	0.10 - 1.00
Trade 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	

Foreign currency risk

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

As at 31 December 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	8.0	1.6	5.7	5.0	35.8307	36.0886
Japanese yen	-	-	1.7	8.8	0.3080	0.2996
Philippine Peso	11.2	-	2.5	-	0.7248	-

Foreign exchange contracts outstanding as at 31 December 2016 and 2015 are summarised below:

2016			
Foreign currency	Bought amount (Million)	Contractual exchange rate of bought amount (Baht per 1 foreign currency unit)	Maturity date
US dollar	4	35.6520 - 36.0685	February 2017
Japanese yen	25	0.2878	July 2017

2015			
Foreign currency	Bought amount (Million)	Contractual exchange rate of bought amount (Baht per 1 foreign currency unit)	Maturity date
US dollar	6	36.0969 - 36.3489	June 2016
Japanese yen	108	0.3033 - 0.3035	February 2016

30.2 Fair values of financial instruments

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

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

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 1.6:1 (2015: 1.4:1) and the Company's was 0.8:1 (2015: 0.9:1).

32. Event after the reporting period

32.1 On 3 February 2017, a meeting of the extraordinary of the shareholders of Forth Vending Company Limited, which the Company invests at 45 percent, passed a resolution to approve an increase in company's registered, shares capital from Baht 80 million (8,000,000 ordinary shares of Baht 10 each) to Baht 320 million (32,000,000 ordinary shares of Baht 10 each), through the issuance of 24,000,000 additional ordinary shares with a par value of Baht 10 each, for offer to existing shareholders at Baht 10 per share. On 3 February 2017, Forth Vending Company Limited called up 25 percent of the par value of the increase of its capital or Baht 108 million from the Company.

32.2 On 16 February 2017, a Board of Directors' meeting of Forth Smart Service Public Company Limited, one of the subsidiaries, passed a resolution to propose the Annual General Meeting of shareholders approve a dividend payment of Baht 0.25 per share, a total of Baht 200 million, which is an addition of an interim dividend payment of Baht 0.17 per share. The dividend will be paid from the Company's operating results for the year 2016.

32.3 On 24 February 2017, the Company's Board of Directors' meeting passed the resolution to propose 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 0.17 per share. The dividend will be paid from the Company's operating results for the year 2016.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2017.

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

Overall operating performance of the Group

Unit: Million Baht

	2016	2015	Increase (decrease)	Variance (%)
Total revenues	5,426	5,127	299	6%
Net profit	366	460	(94)	(20%)

The Group has total revenues of Baht 5,426 million for 2016, which is increased by Baht 299 million or 6% compared to the total revenues of Baht 5,127 million for 2015. The increase results from higher revenues from EMS business and retail business.

In 2016, the Group has net profit of Baht 366 million, which is decreased by Baht 94 million or 20% compared to the net profit of Baht 460 million for 2015. The decrease is from the lower gross profit from telecommunication business and related technology business, resulting in lower net profit of the Group.

Analysis of revenues

	2016		2015		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from main business						
EMS business	1,657	30%	1,318	26%	339	26%
Telecommunication business	264	5%	727	14%	(463)	(64%)
Related technology business	1,022	19%	1,388	27%	(366)	(26%)
Retail business	2,319	43%	1,588	31%	731	46%
Total revenues from main business	**5,262**	**97%**	**5,021**	**98%**	**241**	**5%**
Other income	164	3%	106	2%	58	55%
Total revenues	**5,426**	**100%**	**5,127**	**100%**	**299**	**6%**

EMS business

In 2016, the Group generates revenue of Baht 1,657 million from EMS business, which is increased by Baht 339 million or 26% compared to the revenue of the prior year. It results from the growth of revenues from electronics manufacturing service and distribution of electronic components.

Telecommunication business

In 2016, the Group generates revenue of Baht 264 million from telecommunication business, which is decreased by Baht 463 million or 64% compared to the revenue of the prior year. It results from the decrease of sale of set-top box and no new and large projects during 2016.

Related technology business

In 2016, the Group generates revenue of Baht 1,022 million from related technology business, which is decreased by Baht 366 million or 26% compared to the revenue of the prior year. It results from the decrease of ERP system development projects and turnkey projects of installation CCTV.

Retail business

In 2016, the Group generates revenue of Baht 2,319 million from retail business, which is increased by Baht 731 million or 46% compared to the revenue of the prior year. The Group generated revenue from the top-up value via "Boonterm Kiosk" for 2016 of Baht 23,363 million, which is increased by Baht 7,997 million or 52% compared to the top-up value of Baht 15,366 million for 2015. As at 31 December 2016, the numbers of "Boonterm Kiosk" is 92,082 kiosks.

Gross Profit and Gross Profit Margin

	2016		2015		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
EMS business	369	22%	277	21%	92	33%
Telecommunication business	101	38%	212	29%	(111)	(52%)
Related technology business	296	29%	514	37%	(218)	(42%)
Retail business	714	31%	516	32%	198	38%
Gross Profit	**1,480**	**28%**	**1,519**	**30%**	**(39)**	**(3%)**

EMS business

In 2016, the Group has gross profit of Baht 369 million, which is increased by Baht 92 million or 33% compared to the gross profit of Baht 277 million for 2015. In 2016, the gross profit margin is at the rate of 22%, which is closed to the gross profit margin at rate of 21% in 2015.

Telecommunication business

In 2016, the Group has gross profit of Baht 101 million, which is decreased by Baht 111 million or 52% compared to the gross profit of Baht 212 million for 2015. In 2016, the gross profit margin is at the rate of 38%, increased from the gross profit margin at rate of 29% in 2015. It results from the sale of telecommunication products and installation of indoor WIFI antenna which are small-sized projects. These small-sized projects will generate higher margin than the large-sized projects. While those of the prior year, DWDM project and AMR project had generated lower gross profit and gross profit margin.

Related technology business

In 2016, the Group has gross profit of Baht 296 million, which is decreased by Baht 218 million or 42% compared to the gross profit of Baht 514 million for 2015. It results from higher gross profit and gross profit margin derived from DR site project and turnkey projects of installation CCTV in 2015.

Retail business

In 2016, the Company has gross profit of Baht 714 million, which is increased by Baht 198 million or 38% compared to the gross profit of Baht 516 million for 2015 because of the continuous growth of "Bconterm Kiosk" business.

Expenses and expenses to revenues from main business

	2016		2015		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	109	2%	122	2%	(13)	(11%)
Administrative expenses	794	15%	695	14%	99	14%
Finance cost	92	2%	101	2%	(9)	(9%)
Income tax expenses	59	1%	101	2%	(42)	(42%)

Selling expenses

In 2016, the Company has the selling expense of Baht 109 million and the selling expense to revenue from main business ratio is 2%. There is no significant change of selling expense and the selling expense to revenue from main business ratio from those of the prior year.

Administrative expenses

In 2016, the Company has the administrative expense of Baht 794 million and the administrative expense to revenue from main business ratio is 15%. The increase results from the growth of retail business.

Finance cost

In 2016, the Company has the finance cost of Baht 92 million, which is decreased by Baht 9 million or 9% from 2015. It results from the lower interest expenses of the loans obtained for projects which is aligned with the decrease of projects.

Income tax expenses

In 2016, the Company has the income tax expense of Baht 59 million which is decreased by Baht 42 million or 42% from 2015, which is aligned with the decrease of profit.

Financial position

Assets

Unit: Million Baht

	31 December 2016	31 December 2015	Increase (decrease)	% Variance
Current assets	3,932	3,811	121	3%
Non-current assets	2,937	2,163	774	36%
Total assets	**6,869**	**5,974**	**895**	**15%**

As at 31 December 2016, the Group's total assets are Baht 6,869 million, increased by Baht 895 million or 15% compared to the total assets as at 31 December 2015 of Baht 5,127 million. It is mainly due to the acquisition of property and plants used for office building, production line and warehouse as well as the production of top-up kiosks.

The quality of assets

Trade account receivables

Unit: Million Baht

	Consolidated financial statements	
	31 December 2016	31 December 2015
Trade account receivables – unrelated parties	1,408	1,348
Less: Allowance for doubtful accounts	(42)	(45)
Trade account receivables - net	1,366	1,303

As at 31 December 2016 and 2015, the Group has the allowance for doubtful accounts, amounting to Baht 42 million and Baht 45 million, respectively. The Group's policy on allowance for doubtful accounts is based on past collection history, aging profile of outstanding debts and the prevailing economic condition. The management believes that allowance for doubtful accounts is adequate in the current circumstances.

Inventories

Unit: Million Baht

	Consolidated financial statements	
	31 December 2016	31 December 2015
Inventories	1,443	1,230
Reduce cost to net realisable value	(278)	(262)
Inventories - net	1,165	968

As at 31 December 2016 and 2015, the Group has the reduction of cost to net realisable value amounting to Baht 278 million and Baht 262 million, respectively. The Group estimates net realisable value of inventories

taking into the account fluctuations of price or cost directly related to events occurring after the end of the period and movements of inventories and the prevailing economic condition. The management believes that the reduce cost to net realisable value is adequate in the current circumstances.

Source of fund

Unit: Million Baht

	31 December 2016	31 December 2015	Increase (decrease)	% Variance
Current liabilities	3,673	3,185	488	15%
Non-current liabilities	567	283	284	100%
Total liabilities	**4,240**	**3,468**	**772**	**22%**
Total Shareholders' equity	**2,629**	**2,506**	**123**	**5%**

Liabilities

As at 31 December 2016, the Group's total liabilities are Baht 4,240 million, increased by Baht 772 million or 22% compared to the total liabilities as at 31 December 2015 of Baht 3,468 million. It is mainly due to the increase of the Group's loans from financial institutions for the purpose of acquisition of property and plants used for office building, production line and warehouse as well as the production of top-up kiosks. The Group has an ability to repay loans in accordance with the repayment schedules stipulated in the loan agreements.

Shareholders' equity

As of 31 December 2016, the Group's shareholders' equity is Baht 2,629 million, increased by Baht 123 million or 5% compared to the total shareholders' equity as at 31 December 2015 of Baht 2,506 million. It results from the net profit of Baht 509 million and the dividend payment of Baht 465 million.

The appropriate of capital structure

The Group's debt to equity ratio as at 31 December 2016 is 1.6:1, slightly increased from the ratio as at 31 December 2015 at rate of 1.4:1. It results from the increase of the Group's loans from financial institutions.

Liquidity

Cash flows

Unit: Million Baht

	2016	2015
Cash flows from (used in) operating activities	1,176	1,229
Cash flows from (used in) investing activities	(977)	(367)
Cash flows from (used in) financing activities	(139)	(690)

Cash flows from operating activities for 2016 are Baht 1,176 million, slightly decreased by Baht 53 million compared to the cash flows from operating activities of Baht 1,229 million for 2015.

Cash flows used in investing activities for 2016 are Baht 977 million, increased by Baht 610 million. It results from the acquisition of property and plants used for office building, production line and warehouse as well as the production of top-up kiosks.

Cash flows used in financing activities for 2016 are Baht 139 million. It is comprised of the repayments of short-term and long-term loans amounting to Baht 411 million and the dividend payment of Baht 326 million. However, the Group obtained the addition long-term loans from financial institutions amounting to Baht 737 million.

Liquidity ratios

The ratio of the current assets and current liabilities as at 31 December 2016 is 1.1:1 which is closed to the ratio as at 31 December 2015 at rate of 1.2:1.

"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 broad • The development and implementation of Enterprise Resource Planning system • The online top-up service and the 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 address	Branch No.1 66/350 Moo 12 Raikhing, Sampran, Nakornprathom, 73210 Branch No.2 77 Moo 11 Phuttamonton 5th 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 Branch No.5 256 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400 Branch No.6 79/2 Moo 10 Raikhing, Sampran, Nakornprathom, 73210
Website	www.forth.co.th
Telephone	0-2615-6700, 0-2271-2888
Facsimile	0-2615-0615, 0-2279-4888
References	
Securities Registrar	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. 0-2009-9000 Fax. 0-2009-9991
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

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) COMPANY LIMITED

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