



Annual Report 2018

Forth Smart Service Public Company Limited

ANNUAL REPORT 2018



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Financial Highlight

Financial Highlight (Unit: million Baht)

	2016	2017	2018
Total receipt amount through "Boonterm kiosk"	23,383	36,175	41,980
Total revenue from core business	2,245	3,105	3,339
Income from rendering of services through online top-up machines (Service Change) and income from rendering of top-up service for prepaid phone and other online service (Commission)	2,232	3,093	3,318
Gross profit	571	732	708
EBITDA	829	1,098	1,242
Net profit	420	543	583
Operating cash flows	773	1,106	882

Financial Statement (Unit: million Baht)

	2016	2017	2018
Total assets	3,185	4,260	3,916
Interest-bearing debt	906	1,506	1,244
Total liabilities	2,002	2,926	2,665
Total shareholders' equity	1,183	1,334	1,251
Paid-up Capital	400	400	400

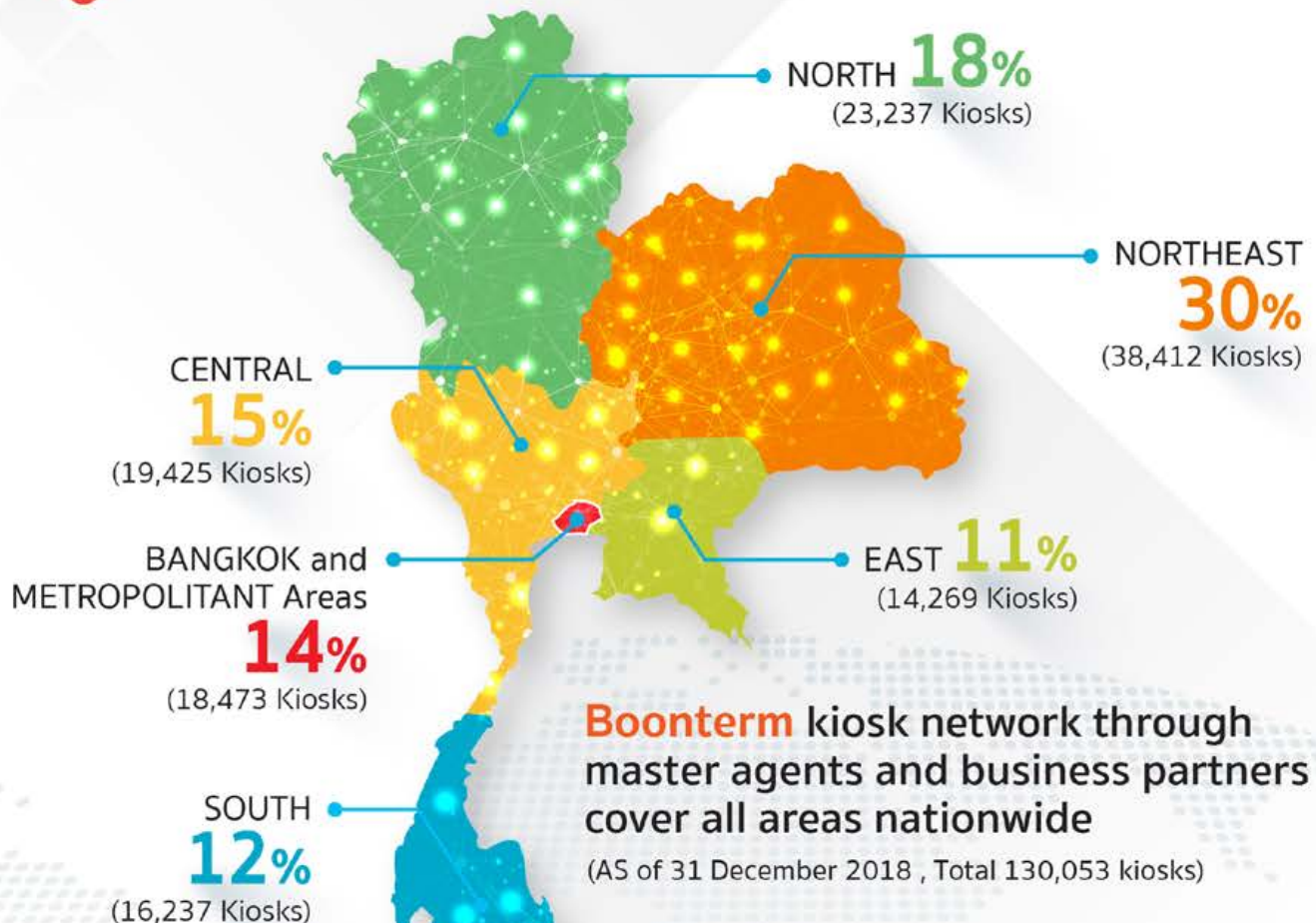
Financial Ratios

	2016	2017	2018
Gross Profit Margin (% of core business)	25.4%	23.6%	21.2%
EBITDA margin (% of core business)	36.9%	35.4%	37.2%
Net profit margin (% of core business)	18.7%	17.5%	17.5%
ROA (%)	15.5%	16.7%	16.4%
ROE (%)	38.2%	46.2%	47.9%
Interest-bearing Debt : Equity (times)	0.8	1.1	1.0
Net Debt to Equity (times)	1.7	2.2	2.1
Net Debt to EBITDA (times)	2.4	2.7	2.1

"Boonterm kiosk"

	2016	2017	2018
No. of kiosks	92,082	124,653	130,053
Accumulated value of an investment (MB)	2,920	3,926	4,007
Daily average transactions (transactions)	2,031,458	2,190,525	2,010,665

Business Highlight



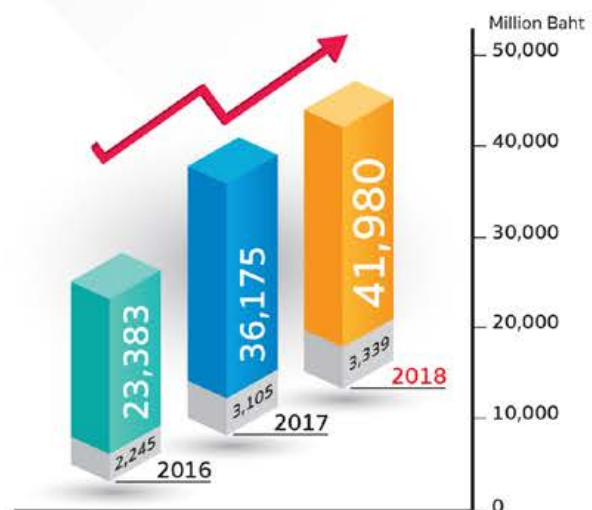
No.1 Online Payment Service Provider in Thailand



Number of Kiosks



The usage amount through "Boonterm kiosk" and total revenues from core business grow continuously



The usage amount through "Boonterm Kiosk"



Total Revenue from core business

"Boonterm" Network

Business Partners



Master agents 81%

19%



Message of the Chairman of Board of Directors



In the year 2018,
Forth Smart Service Public
Company Limited ("FSMART")
continues its business with determination
to continuously develop its business and
service to maintain the leading position
in the online top-up business
under the trademark

บุญเติม



This year is the 10th year that FSMART has operated its business with determination and dedication to continuously develop the business and provide the best services such as the development of service agents which is an important part of expanding the "Boonterm kiosk" business by providing training for service agents to increase management capabilities and online system development for customers to facilitate the fast and accurate service including the 24 hour service for more convenience.

In addition, adding a variety of new services by focusing on offering products and services that meet the needs of customers through "Boonterm kiosk" both to increase new customer base and retain existing customers with the promotion through the "Boonterm kiosk" throughout the year. As a result of the aforementioned business operation, FSMART has continued to grow its business as it can be seen from the number of cabinets covering all areas throughout the country and the value of service usage is increasing consistently.

FSMART also shows a strong determination to conduct business with morality under the awareness and confidence building for all stakeholders that FSMART has managed properly, transparently and can be verified which will lead to sustainable growth of the company. In addition, FSMART also participates in social responsibility by providing opportunities for the disabled to have income by in the past year, providing fund to serious disabled people through the Chuen Jai Venging project in the industrial estate area.

Finally, as a representative of Forth Smart Service Public Company Limited ("FSMART"), may all shareholders, investors, customers, business partners as well as all executives and employees be confident that FSMART will perform its work with determination under good governance principles, taking into account the interest of all stakeholders by providing product and service of quality to create credibility to users, promoting the development of personnel potential and service agents which is considered an important force of the business to have knowledge and expertise as well as focusing to create benefits for society so that FSMART can grow with successfully, firmly and sustainably while creating consistent returns for all shareholders.

Mr. Pichit Nimkul
Chairman of the Board of Director

Message of Chief Executive Officer

Year 2018 is the year that Forth Smart Service Public Company Limited ("FSMART") has been operating for 10 years and can continue to grow every year due to the commitment of the management team as well as all employees who has worked together to perform duties to offer a variety of new service products to meet the needs and facilitate the users through Boonterm kiosk throughout the country. With the quality of fast and reliable service from the effective online system and accurate management, we have always been trusted by the customers who use the service extensively and continuously. This enhance FSMART to maintain the leadership in the number of kiosks and the value of services in the online top-up market.



For the performance of FSMART in 2018, the company continues to grow with the usage amount through Boonterm of 42,000 million baht. There are 130,053 Boonterm kiosks throughout the country.



There are more than 23 million customers through mobile phones with more than 2 million transactions per day which results in total revenue of 3,602 million baht and net profit at 583 million baht. This reflects FSMART's commitment to develop business strategies and establishing a solid foundation continuously to meet the diverse needs of users and to keep abreast of technological changes in today's world as well as to manage the products fast and efficiently for strengthening the Boonterm kiosk business.

In 2018, FSMART offered a new service, including the purchase of music code, Joox, purchasing packages to watch Korean series, service for buying PUBG game code, money transfer service to Bank of Ayudhya account Service to buy package code for watching sports through beIN Sport, service for saving money into the National Savings Fund (GSB) and paying the TOT phone bill via Boonterm kiosk, all of which received good feedback from customers. Therefore, the transaction amount is likely to continue growing. In addition, there is a stimulation of the service through Boonterm kiosk by arranging promotions for customers throughout the year.

For the year 2019, FSMART continues to concentrate and focus on quality of Boonterm locations by managing the top-up amount per cabinet per month (ARPU), especially the top-up of mobile phones to grow not less than 5% from the year 2018, as well as setting up goal for expanding Boonterm network 5,000 kiosks with the service value of not less than 10% from 2018 by the new service strategies such as bank loan payment. For the money transfer service, the company will cooperate with 2 new commercial banks, namely the Government Savings Bank and Bangkok Bank. In addition, new business lines have been added through the development of Boonterm Kiosk. The new model of Boonterm kiosk will be able to sell SIM cards for mobile phones and e-KYC services or authentication services to open electronic bank accounts and register SIMs as well as platform development in the form of applications, E-wallet under the name "Be Wallet" which will help expand the customer base and create a link of the ecosystem of the company to facilitate the customers since FSMART will have a complete database to add value in the future.

Finally, on behalf of the Chairman of the Executive Committee, I would like to thank all shareholders, customers, business partners who always gives confidence and support as well as the executives and all employees who work hard and in 2019, FSMART will continue to focus on improving the management and operations in order to occupy the leading position in the automatic payment business and continue to grow sustainably



Mr. Pongchai Amatanon
Chief Executive Officer

Board of Directors



Mr. Pichit Nimkul

*Chairman of the Board
of Director*



Mr. Damrong Kaewprasit

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



Mr. Boonchai Sowanwanichakul

*Director / Independent Director / Audit Committee /
Risk Management Committee / Nomination and
Remuneration Committee*



Admiral Kraisorn Chansuvanich

*Director / Independent Director / Audit Committee
Nomination and Remuneration Committee*



Pol.Lt.Gen Boriarm Siang-arom

*Director / Independent Director /
Nomination and Remuneration Committee*



Mr. Pongchai Amatanon

*Director / Chief Executive Officer /
Nomination and Remuneration Committee*



Mrs. Rangsee Lerttripinyo

Director / Executive Director



Mr. Narongsak Lertsuptavee

*Director / Nomination and Remuneration Committee /
Risk Management Committee / Executive Director /
Managing Director / Finance Director*



Mr. Siwaphant Ratanavirojwong

Director / Risk Management Committee

Management Team



Mr. Pongchai Amatanon

*Director / Chief Executive Officer /
Nomination and Remuneration Committee*



Mrs. Rangsee Lerttripinyo

Director / Executive Director



Mr. Narongsak Lertsuptavee

*Director / Nomination and Remuneration Committee /
Risk Management Committee / Executive Director /
Managing Director / Finance Director*



Ms. Rasinee Lerttripinyo

*Executive Director /
Sales and Marketing Director*



Ms. Rungrawee Bangkul

*Senior Finance Manager /
Company Secretary*



Mr. Sarawut Pacharoen

Senior Agent Service Manager

Shareholding Structure of the Group





Shareholding Structure of the Group

- | | |
|--|---|
|  Forth Corporation Pic. |  Forth Tracking System Co., Ltd. |
|  Geniys Traffic System Co., Ltd.- |  Forth Smart Service Plc. |
|  Electroics Source Co., Ltd |  Forth Vending Co., Ltd |
|  Forth Lighting Co., Ltd |  Forth Smart Trading Co., Ltd |
|  Forth Consulting Co., Ltd. |  Forth Smart Digital Co., Ltd |
|  Forth Meter Co., Ltd. |  Box24 Co., Ltd |

Vision Mission and Objective

Vision

The most convenient point of transactions

Mission

- ➔ To ensure successful transactions of customers via intelligent kiosks.
- ➔ To offer the most convenient and reliable services for people living in all communities.
- ➔ To ensure efficient and competitive cost of payment at all times.
- ➔ To provide and develop a wide range of services with greater quality and variety to serve different needs of customers.
- ➔ To create sustainable values among shareholders, customers, business partners, staff, and communal people.

Nature of Business

Forth Smart Service Public Company Limited is the business operator that provides for electronic payment service, pre-paid mobile top up and online bill payment through our online top-up machine or Boonterm kiosk under trademark of **บุญเติมน**

The company operates Boonterm kiosk business in the franchise system through more than 200 service agents nationwide and also proceeding in the form of co-management of Boonterm with business partners over 40 projects e.g. 7-Eleven, Family Mart, Lawson, Tesco Lotus, BTS, 108 Shop, The Mall, Tops Supermarket, CP Fresh mart, TOT, MRT, the Transportation Company, PTT, Esso, Susco, Home Pro and Mini Big C, etc. in order to expand customer base to reach more target groups of customers and increase the number of Boonterm kiosks to provide services covering the whole country especially in urban areas, in front of convenient stores, supermarkets, educational institutes, dormitories and industrial estates.



Service model of Boonterm kiosk is able to support customers of all ages by focusing on low to moderate income customers who use the pre-paid mobile phones primarily and can top up from a small amount (micro transaction) with a minimum top-up transaction from 10 Baht. Customers can easily do various transactions themselves conveniently, fast with precision and reliability just by inserting coins or banknotes for self-payment transaction on our online payment machines via computer program system that links data through 130,053 Boonterm networks covering all regions throughout Thailand with 24-hour service. In addition, there is Boonterm Call Center with Tel. 1220 to provide facilitating service in consultation and solutions for customers with 24-hour daily service.



Products and Services

Boonterm kiosk” and “Boonterm kiosk with weighing scale

- ◆ Information verification in case of mal-function or wrong top up by simply calling to Call Center number 1220, Boonterm daily 24 hour customer service.

- ◆ System to keep the credit balance from top-up to use the service next time at any Boonterm nationwide within 1 year.

- ◆ more than 70 different services, such as prepaid mobile phones in all networks, money transfer service, top-up service for various types of cash cards and online games, internet payment service, horoscope service, regional electricity payment, Line Sticker purchase service including supporting other online top - up services that may be added in the future.

- ◆ Weighing service in Boonterm kiosk which is installed with weighing scale which can calculate body mass index (BMI) and keep weight history.

- ◆ Micro transaction support for mobile top up from 10 Baht.

- ◆ 7” and 10” touch screen with eye-catching colorful display and audio instructions.

- ◆ Available in 4 languages, including Thai, English, Burmese and Cambodian to support the use of various customer groups. It is use to use by simply entering the mobile phone number, the system of “Boonterm” will be able to automatically select the network system in order to prevent the wrong top-up from by choosing the wrong network system.

- ◆ All kinds of coins and banknotes accepted with function to detect the counterfeit coins and banknotes including an online upgrading system to support the use of new coins and banknotes.

- ◆ The Battery Backup/Charger system which functions even when there is a power failure or blackout up to 4 hours.

- ◆ The IP Security is embedded to Boonterm kiosk to provide security for the system with the GPRS communication system same as the one of the ATM machine including the Real time notification in case of problems.

- ◆ Anti-theft system in case that the kiosk is forced open, destroyed or lost, the anti-theft system will send a notification to the service center to solve the problem immediately.

- ◆ The Remote upgrade system provided by the service center enhances other add-on services or future sale promotion.

- ◆ Direct connection to various service providers, allowing the transaction amount can be checked immediately, accurately and fast.



Boonterm Counter Service

◆ Top-up and all bill payment services like those of Boonterm kiosk and add other bill payment service such as utility bills: the Metro Electricity bill, the Provincial Electricity bill, the Metro Water bill, the Provincial Water bill, etc.

◆ Compact in size and easy to move, making it convenient for customers' payment.

◆ The touch operation with easy to use menus enabling agents to provide services to understand and use immediately.

◆ System to store transaction data and print a confirmation of past transactions.

◆ Online software upgrades by controlling from the operating center of the company to keep the system up to date with new services to meet the diverse needs of customers continuously.



Clean water dispenser and mobile top-up machine

◆ 10-inch touch screen, eye-catching colors with audio usage instructions.

◆ Clean drinking water service via 2 reverse osmosis and UV filters.



◆ The water dispenser is designed to inside the cabinet to avoid contact from the external cover and also the measurement system of water quality is designed to terminate the function of the machine when the water quality is below standard.

◆ Available in 4 languages including Thai, English, Burmese and Cambodian to support various customer services in all community groups.

◆ Support all types of coins and bills with detecting system on fake coins and banknotes.

◆ More than 70 services, such as mobile phone top-up, various cash card top-up, online game top-up, monthly bill payments, etc.

◆ Support all top-up prepaid mobile phones of all systems covering 1-2-call (AIS), HAPPY (DTAC), TRUEMOVE / TRUEMOVE H, CAT My and TOT3G.

◆ Management system that connects online data to service provider servers can check sales and transaction amount immediately.

◆ Boonterm Call Center number 1220 available daily 24 hours.

◆ Remote Upgrade system from the central service center and anti-theft systems including new services added continuously to meet the various needs of customers.

◆ System to keep the balance that customers can keep from the top-up to use next time on "Boonterm kiosk" throughout the country within 1 year.

New Services in 2018

At the end of 2018, Boonterm kiosk has more than 70 applications that provide services and more than 40 bill payment program on Boonterm Counter Service, to offer a variety of services that are more modern in line with the needs of customers via an online system that has a server connection system with mobile operators and service providers directly, the company can check the transaction amount promptly with the online management system. This allows the company to have ability to add or change the form of services on Boonterm easily.

1) Service for purchasing Joox Music

Boonterm collaborates with Joox to sell JOOX prepaid card code (Application for music) via Boonterm KIOSK, Boonterm Counter Service and Application Bewallet. The JOOX VIP Top-up Card is an alternative payment method for VIP usage while before the payment can be made through the App Store and Google Play only and it is restrictions for people who do not have credit cards. Therefore, teenagers who do not have a credit card can buy a Joox VIP top-up card at Boonterm kiosk more than 130,000 booths nationwide 24 hours. The service has started since January 2018.



2) Service for purchasing Korean series packages

Boonterm collaborates with MOL to sell code of VIU Premium Package. The VIU is a website for viewing the series and legitimate TV programs that have already been launched in many Asian countries such as Hong Kong, Singapore and Malaysia, and the response in every country that view the VIU package is very good because viewers can watch the drama series and entertainment programs at the same time as the viewing in Korea. Some programs are available for viewing within a few hours and they are also available in local languages. The VIU is available in various platforms, including PC, Tablet, Smartphone, allowing users to view as convenient as possible. Boonterm has started the service since July 2018.



3) Service for buying PUBG game code

Boonterm collaborates with MOL to sell the online PUBG code. PUBG is a short name from PLAYERUNKNOWN'S BATTLEGROUNDS which is one of the most popular survival games in the world today. The style of the game is trying to survive until being the last person or team from all 100 people. The game will start from the big map and then be squeezed into the small playing area. On the game like this, the winner doesn't have to be the person who destroys other the most but may be the person who survives best. Boonterm has provided this service from July 2018



4) Service to buy package code for watching sports via beIN Sport Connect

Boonterm and beIN Sport collaborate to sell package code for viewing sports via beIN Sport Connect Application which provides a superior experience for Thai football fans to watch big football matches around the world, such as Premier League, La Liga, Serie A, League L, MLS and others. Besides, viewers can choose to watch a wide range of live and On Demand sporting events via mobile phones, laptops and PC. Clients can buy the beIN Sport Connect code through Boonterm kiosk at more than 130,000 booths nationwide. The service has started from October 2018.



5) Service for Money Transfer to Bank of Ayudhya Account



Boonterm cooperates with the Bank of Ayudhya in providing service for transfer money to one more bank account, Krungsri Bank as another channel for customers to transfer money conveniently at more than 130,000 Boonterm booths throughout the country, 24 hours daily. The transfer service to Bank of Ayudhya account has started in August 2018.

6) Service for Money saving to the National Savings Fund (NSF)

Boonterm collaborates with the National Savings Fund to become another channel to save money for NSF members by depositing money to the National Savings Fund easily via Over 130,000 Boonterm kiosks nationwide. The service has started in November 2018.



7) TOT phone bill payment service



The bill payment for TOT phone service (Fixed Line), TOT internet service fee (ADSL and / or FTTx) and mobile phone service (TOT3G) is another service added to facilitate the payment of customers via Boonterm kiosk throughout the country, the service has been provided from October 2018.

Highlights of marketing Activities in 2018

Sales Promotion

1 Point Redemption and Gold Giveaway

This campaign has got good response continuously for 4 years for accumulating points to redeem rewards through Boonterm kiosk in the campaign of "Giveaway Points Redemption, Giveaway Gold to home". Throughout the year 2018, the company has given away a variety of more attractive gifts. In addition, the owners of Boonterm kiosk from which the customer wins the gift, will also be entitled to receive gold as well.



2 Boonterm celebrates 10 years with 3 million gold

To celebrating 10 years of being a leader in the service kiosk business, Boonterm organized a campaign to giveaway gold worth 3 million baht with the concept of "The more top-ups, the more prizes to win. Be careful to be lucky without your knowledge". By just simply topping-up mobile phone through Boonterm kiosk or buy 5 extra pro-packs, customers will be entitled to win gold worth 20,000 Baht every week, 7 prizes per week and gold worth 100,000 baht every month, 4 prizes per month, worth a total of over 3 million baht.



3 Guess the World Cup

Boonterm had organized an event called "Join to predict the football result of the World Cup 2018 ", customers who used any service through Boonterm (except for top-up) were eligible to win 10 Honda CB150R EXMOTION motorcycles and the winners were announced on 17 July 2018.



4 Boonterm give a lot of luck at ease

For the Year End Campaign, Boonterm in collaboration with AIS organized a marketing promotion campaign to give away cars and mobile phones to customers to purchase AIS extra packages via Boonterm kiosk during 1 September 2018 to 31 December 2018 and the winners were announced on 8 January 2019.



Highlights of marketing Activities in 2018

EVENT

1 Thailand Mobile Expo 2018

The company participated all 4 times in the Mobile Expo of Thailand for the year 2018 by opening booth for sales exhibition, to promote Boonterm service and allowed the participants to try the service of Boonterm with new application introduced under the name BeWallet which was an electronic wallet with top-up service, bill payment, product payment including utilities. Special activities were organized in the event by allowing customers to download applications and register to get free privileges on free service. Such activities had got a lot of attention from the participants.



2 Activities with radio media channel



The company collaborated with 90 radio wave on Luk Tung Rak Thai and 98 radio wave on Isan radio Luk Rak Thai to organize famous folk artists concerts and many fun activities to target customers in different areas in order to create awareness about the product and how to use the Boonterm Kiosk service. In addition, it was an effective way to create good image for Boonterm brand by such activities. Boonterm had focused on customer groups based on industrial sites, activities like "Chantana Chachacha", including a large concert from 98 Isan Radio and 98 Isan FM concerts had gained good feedback from the target customers.

3 Mai FORUM 2018

On July 1, 2018, the company participated in the Mai FORUM 2018 which is held annually. The FORUM was honored to provide information and answer of investors and shareholders by Mr. Narongsak Lert Saphthawee Managing Director who attended the event in order to inform them of the policies and plans of the company including introducing new products and services to customers who are interested in them as well.



4

Boonterm joins the Thai tradition during Songkran Festival.



Boonterm celebrates the festival of happiness and join the Thai tradition during Songkran Festival By giving away 100,000 waterproof phone bags to the general public in Chiang Mai By drilling the area around the moat and neighborhood along with the happy caravan that went to play Songkran with the folks in the water play area. Such activities aimed to promote Boonterm brand and help promote awareness in Boonterm brand to be widely known and also creating a good image for tourists and customers in the area.

5

MONEY BANKING AWARDS 2018

It has been the second year that Forth Smart Service Public Company Limited (FSMART) has received the Best Company Award given by the Stock Exchange of Thailand (MAI) 2018 in the MONEY & BANKING AWARDS 2018, which was organized by the Finance Bank magazine. In this event Mr. Pongchai Amatanon was honored to receive the award himself and Mr. Narongsak Lert Saphawee Managing Director and Mr. Dumrong Kaewprasit Executive directors also attended the event.



6

The signing ceremony of THE NATIONAL SAVINGS FUND



The company participated in the signing ceremony for the cooperation of THE NATIONAL SAVINGS FUND through Boonterm kiosk. With Mrs. Rangsi Lertripinyo, Director and Executive Director and Khun Narongsak Lert Saphawee managing director honor to sign the memorandum of agreement with Mr. Jaruchal Ruangsuwan, Secretary General of the National Savings Fund Committee (NCPO) signed a memorandum of cooperation.

Services in Other Channels



Advertising Service via Boonterm kiosk network

FSMART has added value to Boonterm kiosks installed nationwide by furthering the business to generate revenue from Advertising business. This is considered as one of the potential channel to gain revenue. Boonterm kiosk is another effective channel that can reach customer groups effectively e.g. customers in work places, factories or students in schools and universities all over the country etc. Besides, Boonterm can provides promotions to promote sales via online network. However, FSMART has redesigned Boonterm kiosk with 10-inch touch screen, which can play video clips with high resolution. This makes advertising on Boonterm kiosk more interesting.



Mobile electronic wallet application service "BeWallet"

E-wallet application under the name "BeWallet" supports both iOS and Android systems. Users can top-up mobile phone, top-up others services, pay for utility bills, credit card, online products as well as products from the automatic drink dispenser (Vending Machine). This application is to support the use of customers of new generation and it can be expanded to other online payment service through the cooperation with leading companies in the E-Commerce business to distribute products through Boonterm kiosk to be a channel for payment for more revenue.



Corporate Social Responsibility



Dance to your dream dance, fill your dreams with Boonterm

Boonterm joined with OBEC (Office of the Basic Education Commission) to open a stage of creativity for Thai youths to express their dancing skills through the "Dance to Your Dream" activity to win a trophy and a scholarship worth over 300,000 baht.



Release crabs back to nature

Boonterm organizes a Family Rally 2018 through the Bangkok-Hua Hin route as well as activities to preserve the mangrove forest ecosystem by releasing more than 100 crabs into nature.



Supporting funds for disable people

Boonterm together with the Social Innovation Foundation (SIF) supports funding for serious disabled people to have income for their living and their families through the Chuen Jai vending project.



Activities for the Sustainable Growth



Thank-you party to the agents in the "Rally for 10 year Celebration of Boonterm"

The company has organized activities on Boonterm Family Rally 2018 as a thank-you party to agents and to establish agency relationships with the company at Novotel Hua Hin Cha-Am Beach Resort and Spa on 19-20 January 2018. Later, in the afternoon, there was a CSR activity to preserve the mangrove ecosystem by releasing of more than 100 crabs to the nature. In the early evening, the party was honored by Mr. Pongchai Amatanont, the director Chief Executive Officer Nomination and Remuneration Committee, had given speech to open the ceremony. There are many activities in the party, such as lion dance, activity booths, lucky draw and also dressing contest.



Going Forward Together

In 2018, the company held a seminar for service representatives at Rawin Home Resort, Nakhon Nayok Province and Khun Narongsak Lert Saphthawee, Managing Director as well as the executives had communicated to the agents on the direction of growth in 2019 by setting a strategic plan together with the service representatives to achieve the goals in the direction that the company has set forth in order to strengthen the relationship and introducing management methods for every service agent to grow sustainably and strongly.



Industry conditions and competition

The mobile phone service market is still growing and the access to technology continues to develop even more due to the driving force of the non-voice data service market, consumer behavior that enters the online internet society through the use of smartphones, especially the popularity of social networking applications that has continuously increased with support factors for smartphones and tablets and other IT devices that consumers can buy at easily accessible prices as well as the development of telecommunication network technology which is much faster together with the competition of mobile phone network providers, both prepaid and postpaid systems that are increasing. All of these directly affect the mobile phone prepaid service business.

There are various top-up channels for mobile phones such as top-up via applications on smartphones, top-up via mobile phones (Refill On Mobile), top-up codes via convenience stores (E-Pin Code), the Scratch Card including top-up Kiosk, etc. In the future, the scratch card will decrease as operators want to reduce the cost of card production and top-up via applications on smartphones is likely to be a more popular channel especially from customers who prefer to use electronic money or who have cash flow in bank accounts while the top-up Kiosk is a popular channel for customers who prefer to use cash or people of low income since they can top up a small amount with a minimum amount of 10 baht through our 24-hour service which is fast and easy to use.

Currently, the business of payment services via automatic payment machines or top-up kiosk still has a lot of competition according to the needs of many existing consumers. This results in the increase in the number of top-up machines in the market.

There is a tendency that the company increase the market share continuously. At the end of 2018, it was found that there were more than 23 million subscribers using the top-up service via Boonterm kiosk representing 33% from the number of prepaid mobile phone numbers (over 69 million in domestic numbers).



The company continues to maintain its leadership in the automatic payment business. In 2018, the company holds the market share from the prepaid mobile phone market through Boonterm kiosk accounted for more than 22% of the market value of 130,000 Million baht.



New operators will encounter Barriers to entry

New entrepreneurs who want to enter the top-up Kiosk business will encounter barriers to entry such as economy of scale, Capital Requirement, Brand Loyalty, Learning Curve, Server System and Agent Management, etc. while Boonterm has the highest number of kiosks in the country with a network covering all areas throughout the country of more than 130,000 kiosks with various services by the efficient and precise server systems as well as the reliability in providing financial services with standardized management systems such as providing money transfer services to Krung Thai Bank, Kasikorn Bank and Bank of Ayudhya accounts which has been approved by the Bank of Thailand to be appointed as bank representative, including continuous development of new products and services, such as Boonterm kiosk of 10 inch-screen with weighing scale, Boonterm counter service, Fresh drinking water dispenser and mobile top-up etc.

Direction of FSMART 2019

As the leader in online payment service business through the kiosk under the brand "Boonterm", both in terms of the most networks and the highest value of service in Thailand. In the past year the company focused on quality management of Boonterm kiosk installation and increasing the value of top-up from various new services, including various marketing activities that were held together with activities to reward profits for users (CRM). This helped increase the popularity of the service through Boonterm continuously. In addition, the market share had increased from the additional channels of mobile top-up. This enhanced the value of the service to grow from 2017 and resulted in the company's performance which continues to grow steadily and strongly in 2018.

The company operates its business in the form of providing services with a system to find investors. Therefore, the company focuses on creating an ecosystem balance in the businesses by concentrating on the development of both the quality of products and services that respond to the needs of customers and focusing on providing customers with fast and convenient service in a variety. In addition, the agents have confidence

“
In the year 2019, the Company still focus on quality management of Boonterm kiosk with the goal of managing the average amount of prepaid top-up per month (ARPU) to grow at least 5% from 2018, expanding the Boonterm network in an additional quality location by 5,000 kiosks by the end of 2019 and the value of using services through Boonterm kiosk, grow at least 10% from 2018 with a variety of services and expanding the business by developing the Boonterm kiosk to be able to sell SIM cards and the e-KYC services, including focusing on expanding new customers both in forms of mobile electronic wallet applications (e-Wallet) under the name of "BeWallet" that have been continuously developed as well as expanding new business.
”

in operating the business in the franchise system, such as training seminars, enhancing management capabilities for service agents. Cooperation with Kasikorn Bank in releasing credit lines to Boon term's service agents, free spare parts support for maintenance throughout the contract period, marketing and sales promotion and appropriate and fair compensation allocation with the aim of providing service agents and business partners with sustainable growth.

The company aims to be the leading provider of integrated payment services and continuously focuses on offering new products and services in order to meet the needs of customers rather than just to top up mobile phones, whether it be placing new money transfer services to bank accounts, accepting bank loan payments or accepting various bill payments in order to provide convenience for customers. In the year 2019, the company plans to add money transfer services to 2 other banks, namely the Government Savings Bank and Bangkok Bank. In addition, the company plans to add more lines of business such as sale of Mobile phone sim cards and the Electronic Know Your Customer (e-KYC) services for opening electronic deposit account and registering SIMs to expand the users' base of Boonterm kiosk and increase the average usage through Boonterm more. Moreover, the company has also added more new business lines to expand the customer base continuously.

However, the company has developed channels to support e-commerce businesses by developing new platforms in the form of an E-wallet application under the name "BeWallet" which can support both iOS and Android systems to be a center for receiving payments and fees for various products and service that are under the management of the company such as business of on line top up via Boonterm, Vending machine business including EV charger and with the trend of using smartphones for various transactions that increases continuously at present, the application "BeWallet" will be another way to help the business move forward with the partners and customers who use Boonterm kiosk and can reach new customers with more convenience through the use of the "BeWallet" application.

Revenue Structure

Statement of comprehensive income	2016		2017		2018	
	Baht	%	Baht	%	Baht	%
Revenues						
Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge) ^{/1}	1,264,074,527	52.1%	1,748,521,392	52.0%	1,917,435,041	52.0%
Income from rendering of top-up service for prepaid phone and other online service (Commission) ^{/2}	968,210,803	39.9%	1,344,873,563	40.0%	1,400,536,701	40.0%
Entrance fee income ^{/3}	87,124	0.0%	-	0.0%	-	0.0%
Advertising income ^{/4}	12,873,483	0.5%	11,544,846	0.3%	21,070,562	0.3%
Total revenue from core business (4 items)	2,245,245,937	92.5%	3,104,939,801	92.3%	3,339,042,304	92.3%
Sales of goods ^{/5}	48,402,213	2.0%	61,434,400	1.8%	10,541,950	1.8%
Other income ^{/6}	133,430,903	5.5%	198,186,219	5.9%	252,719,286	5.9%
Total revenue	2,427,079,053	100.0%	3,364,560,420	100.0%	3,602,303,540	100.0%

Note:

1. **Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge)** is service charge which the Company charges customers when making a transaction at Boonterm kiosk, for example, customers will pay service charge for 2 Baht when topping up for 10 Baht.
2. **Income from rendering of top-up service for prepaid phone and other online service (Commission)** is commission that the Company receives from service operators.
3. **Entrance fee income** is franchise fee that the Company charged from agents in form of business partner system.
4. **Advertising income** is revenue from advertising on Boonterm kiosk such as digital ads on screen etc.
5. **Sales of goods** such as income from selling materials apart from Boonterm kiosks, for example, tripod, cement pedestal, coin counter etc.
6. **Other income** comprised warranty money of Boonterm kiosks (collected from agents), revenue from customers’ credit top-ups because the machines are unable to give change. The revenue from customers’ credit top-ups is recognized as income when customers’ credit has remained unused for 1 year), revenue from unsuccessful money top-ups that were not able to be added in accordance with customer orders such (The revenue is recognized when the customer has not claimed a refund for more than 1 year.) interest income, etc.

Risk Factors

1. Risks on Operating the Business

1.1 Risk on the competition in the automated top-up kiosk market

Prepaid business for prepaid mobile phones is more competitive with the increase in the number of automatic mobile top-up machines in the market according to the needs of consumers who want to use mobile top-up service conveniently, easily, quickly and easily accessible. At present, there are major automatic prepaid mobile phone service providers including Boonterm, Sabai Plus, Singer Top up, Kapook Top up and Termdee or Thai Saendee top up kiosk etc. The company aims to make a difference in providing services and create competitive advantage with a modern payment service system that can connect the system with mobile operators and other forms of payment service providers, allowing users to make transactions conveniently, quickly and accurately and accurately. In addition, the company which is the leader in the electronic payment service channels has offered a variety of services and expanded new forms of service continuously to meet the needs of consumers such as post-paid payment, e-wallet, top-up for cash cards of various types, payment of basic utilities, payment of other products and services, money transfer to destination bank account, etc.

In addition, the company operates in the franchise system with service Master Agent and business partners such as 7-Eleven, Family Mart, Lawson, Tesco Lotus, 108 Shop, The Mall, Tops Supermarket, CP Freshmart, TOT, MRT, Transport Company, PTT Gas Station, Esso Gas Station, Susco Gas Station, PT Petrol Station, Shell Gas Station, Home Pro and Mini Big C, etc., by installing Boonterm kiosk and providing services in various areas to allow users to access and use the service fast and conveniently covering all areas throughout Thailand at the village level. In addition, Boonterm can also support services in up to 4 languages, including Thai language, language English, Burmese and Cambodian languages to provide services to groups of people with diverse nationalities in all community groups.

In 2018, the company dominated the market share, the value of top-up from pre-paid prepaid mobile phone services via Boonterm kiosk accounted for about 22% of the pre-paid mobile phone market, which has the same growth rate as in 2017. The company therefore sees that it will not quite be affected by business competition and still focus on developing and adjusting the business strategy to maintain the customer base and to be a leader in the business continuously by adding E-payment services and bill payment services according to the service license framework that the company received from the Bank of Thailand. In the third quarter of the year 2018, the company expanded the type of service, such as cash deposit service to Bank of Ayudhya account, Monthly phone payment service, Utility bill payment service, Social security payment service (Section 40), e-Wallet top-up service and beIN Sports Connect via Boonterm kiosk by cash and in the fourth quarter, the company added savings services by joining with the National Savings Fund. In addition, there are other payment services that will meet the needs of convenience of users and to allow access to lower-to-medium-level users

1.2 Risk on Customer Behavior

At present, consumers can choose to use various top-up channels for mobile phones or payment services that can be substituted, such as making payments via various mobile phone top-up applications, payment services in convenience stores, buying prepaid scratch cards, or top-up mobile phones via ATMs, etc. The company may

have risks that Boonterm Kiosk might not be popular among users like today. If the user changes behavior or there are other channels in the future that respond to the users' need more than top-up via top-up kiosk.

However, the company is confident that Boonterm kiosk can still access the need of customers and is able to respond and facilitate the target customers and predicts that there may not be any changes in consumer behavior in the near future because the Boonterm kiosk is featured such as topping up mobile phones at a low value (Micro Transaction) with a minimum amount starting from 10 baht to respond to the demand based on the behavior of the users and the number of service points that increase continuously and cover most area of the country. Users can top-up the service at any time, 24 hours, and the efficiency of the service of Boonterm kiosk, making the transaction convenient, fast and reliable. There are also a variety of modern services of 73 services with 4 languages provided including a customer service call center, 1220, which is available 24 hours a day, etc.

In addition, in 2018, the company focused on developing and expanding the service channels for receiving payments through E-Wallet in the name of "BeWallet" in order to be able to support new users with modern lifestyle of urban people who focus on making their own transactions via smartphones anywhere and anytime they want and have aptitude interested in spending with fast and convenient electronic money which the company considers as a new target customer group that will expand the number of customer base. The company will focus on increasing the number of subscribers from the closed loop system, the customers of the partners and customers who use the Boonterm service primarily.

1.3 Risk on Change of Technology

Prepaid mobile phone service business or various payment services relies on technology quite a lot, so the company may be at risk from technological changes. Therefore, the company has to follow and develop technology, service system for top-up mobile phones and other services that are available in Boonterm kiosk to be up-to-date at all times. For this, Boonterm is dominant in using online connection technology, therefore, it can link all kiosks and can quickly change the software system to meet the needs of consumers including being able to increase-reduce various services in the kiosk, such as providing new services that are popular with consumers to serve in Boonterm kiosk and can remove the unpopular services from Boonterm kiosk as well. Since the company has its own information technology development team for developing the service system and or programs that make it convenient and quick to add, improve and develop programs as needed. From the information technology strengths of the company as mentioned, this partly can help reduce the risk.

In 2018, the service provided via the Kiosk is preferred by customers who are cash customers which is the largest customer group in the country considering by the major telecom network service providers in the country that turned to develop a Kiosk to provide mobile top-up services, top-up for games, bill payment by their own including expanding the installment point for other Kiosk machines in the market that increased from 2017 and continued to grow continuously. The new technology that will support services for customers in a cashless society which the government sector is pushing is still growing gradually while Thai people still needs confidence and readiness to turn to use the service. This causes E-money customers who make mobile top-up transactions, add games, pay various bills via Mobile Application remain in the expansion period.

The company continues to focus on creating service quality through the company's Kiosk which has a comprehensive service point to increase the potential for better service that respond to all the needs of cash customers. In addition the company is also accelerating the development of mobile applications that are considered as new technologies that will support services to customers in the cashless society under the name "BeWallet" which can be able to support more all target customers and reduce the risk of technological changes of the company.

1.4 Risk on Relying on Revenue of the Mobile phone Operators

The main income of the company is related to the mobile phone network business which comes from fees from top-up services, prepaid phones (Commission) which is the revenue that the company has received from the 3 major mobile phone service providers in the country consisting of AIS, DTAC and True move-H, all of which revenues account for 98% of the revenue from commission that the company receives from the mobile phone service provider and accounts for more than 41% of total revenue from service through Boonterm kiosk in 2018. In addition, the company also has fees from providing services through Boonterm kiosk which is the fee income that the user must pay when making the transaction (Service Charge) through Boonterm kiosk from the top-up of 3 major mobile phone service providers which accounts for over 80% of fee income from providing services via automatic payment machines or accounted for more than 46% of total revenue from service through Boonterm kiosk in 2018.

From significant relevance to the mobile phone network business, if there is an incident that causes the mobile phone service company to have problems in the business that cannot provide mobile phone service or in the event that such mobile phone service providers fail to be a representative in providing payment for goods or services via mobile phones, it may significantly affect the company's total revenue. However, the 3 companies mentioned are the major mobile phone service providers in Thailand that have a good financial position and are popular with most consumers in the country already. This causes the chance for problem occurrences in the business of that company still low level of flexibility and the mobile phone service provider has appointed the company to be a representative to receive payment for products or services via mobile phones in order to continuously expand the payment channels of such mobile phone service providers causing the company to expect the risk that may arise from the termination of the contract for mobile phone service providers is also low.

In 2018, the company has a proportion of revenue from other services that are not just relying on the main revenue from mobile top-up services only but the proportion of revenue from other services has increased proportionally from 2017, resulting in the company being able to reduce the risk of relying on revenue from mobile phone service providers continuously.

1.5 Risk on relying on Master Agent and Business Partner

The business of the company is an extension of the service provided by cooperation between the company and the service agent as well as business partners in order to expand Boonterm kiosk service areas to quality areas and locations that cover all areas throughout the country as of December 31, 2018, the company has a total of 130,053 kiosks, divided into:

- 1) "Boonterm" under the Franchise program of 105,866 kiosks or 81% of all top-up kiosks
- 2) "Boonterm" co-operated with the business partners which were installed at 7-Eleven, Family Mart, Tesco Lotus, MRT and Mini Big C etc. of 24,187 kiosk or 19% of all top-up kiosks.

On 31st December 2018, FSMART had all together 181 agents in all provinces of Thailand. The company has a plan to prevent the risk of the agent failing to comply with the terms agreed with the company which may result in the cancellation of the contract by visiting and evaluating service agents in each area regularly, training service representatives every year in order to educate service agents in the business operations and to continuously improve the service quality of service agents as well as reduce various risks that may occur in case that the service agent fails to manage Boonterm kiosk in accordance with the criteria set by the company both the provision of quality locations and suitable locations for the installation of Boonterm kiosk, maintenance of Boonterm kiosk to be able to provide continuous service every day, 24 hours a day including providing advice to service representatives to be able to manage income from Boonterm kiosk for maximum efficiency in the long term business operation with the company. For the business partner, the company has closely negotiated with all partners to strengthen the

relationship, create understanding and make an agreement on the appropriate return share continuously causing such risk to be very low.

1.6 Risks from government policies affecting the main customer base of the company

In 2018, the government sector has a 20-year national strategy in accordance with the 12th National Economic and Social Development Plan that may have an impact on the company's core customer base, including the strategy for solving poverty, reducing inequality and create growth from within by having to take measures both economically and social development together. In the economy aspect, the economy must be developed at the foundation level to be even stronger.

For this, many in the government sector have been launching various policies continuously to solve poverty and raising the quality of life of people in remote rural areas that are difficult to access the basic utility such as the state welfare card project for low-income people to receive state support on a monthly allowance for spending and buying consumer products through state-issued ID cards or high-speed internet projects in marginal areas, free for 3 years for low-income people which is a response to government policy that helps reduce inequality and spread prosperity into the rural areas of the Broadcasting Office Television business and the National Telecommunications Commission (NBTC) which is expected to start service in May 2019.

The above risks which may affect the amount of transactions reduced from the main customer base of the company in respect of providing prepaid services, data package and payment services for utility bills via Boonterm kiosk, cause the company to plan to join as a part to support and serve as a service channel for customers who use the government welfare card with the Comptroller General's Department in every service that can be provided through the company's automatic kiosk which will reduce the risk impact and is considered an opportunity to reach new rural users who have never used Boonterm kiosks because Boonterm kiosk has service in every community down at the village level including the remote areas in every district of Thailand.

2. Risk on Business Assets

2.1 Risk on purchasing the "Boonterm" kiosks from the parent company

FORTH Public Company Limited, the parent Company has operated business on manufacturing and distributing telecommunication appliances and electronic circuit boards, assembling telecommunication circuit boards as well as supporting the manufacture of the automated payment machines or "Boonterm" that needed electronic circuit board and is the steady purchaser equipment for FSMART. In 2018, FSMART had placed order to purchase "Boonterm" kiosks only from FORTH, parent Company.

For this, FSMART had established agreement on running the business of the automated payment machines and on dealing of automated payment machines by fair pricing which suited the business at not higher than the price that FSMART could find in general market with comparable specification and quality. Moreover, FSMART was eligible to supply paying machines from other manufacturers in case that they are cheaper than the ones manufactured by FORTH.

2.2 Risk on Loss and Damage of “Boonterm”

Due to the company having to bring Boonterm kiosk which is the main asset in the business operation to be located at the service point in various areas throughout the country so that users can use the service conveniently every day, 24 hours a day, there may be loss and damage due to cash payment services in Boonterm kiosk. Therefore, there is a risk of theft or leverage.

From the above risks, the company has continuously developed and improved the security system of Boonterm kiosk. At present, the company has installed a system to prevent tampering or theft with the sensor system and siren that will work by sending a loud signal to alert when tampering, bumping or breaking up kiosk and at the same time, the system will send a notification signal to the Call Center in order to be acknowledged and inform the relevant parties in a timely manner. In addition the company will have a deduction from the compensation that the service agent will receive to be a reserve for use in managing the risk of loss and damage of Boonterm kiosk.

In 2018, the company added measures to reduce the risk of loss and damage of Boonterm kiosk ranging from arranging for a robbery tracking team to proactively follow strategies to catch robbers and malicious people who tamper, smash or steal the kiosk for money in the kiosk to reaching the effective legal proceedings and adding the maximum credit limit system for receiving transactions per transaction or per day to alleviate the risk of losing money in the kiosk as well.

3. Risk on Finance

3.1 Risk from relying on the fund from financial institute

On 31st December 2018, FSMART had got a loan from a financial institute to operate the business with conditions requiring the Company to maintain certain financial ratios according to the conditions specified in the loan agreement which the company is able to comply with the specified conditions.

In addition, the company is also exposed to the risk of interest rate fluctuations related to long-term loans from financial institutions, since the loan amount of the company determines floating interest rates that fluctuate according to current market rates. In December 2018, the Monetary Policy Committee meeting passed a resolution to raise the policy rate but from adjusting the interest rate of commercial banks in accordance with that bank policy does not affect the company because the company has negotiated a fixed interest rate in order to reduce the risk of such interest rate fluctuations, thus, the risk of interest rate fluctuations is low.

4. Risk on Management

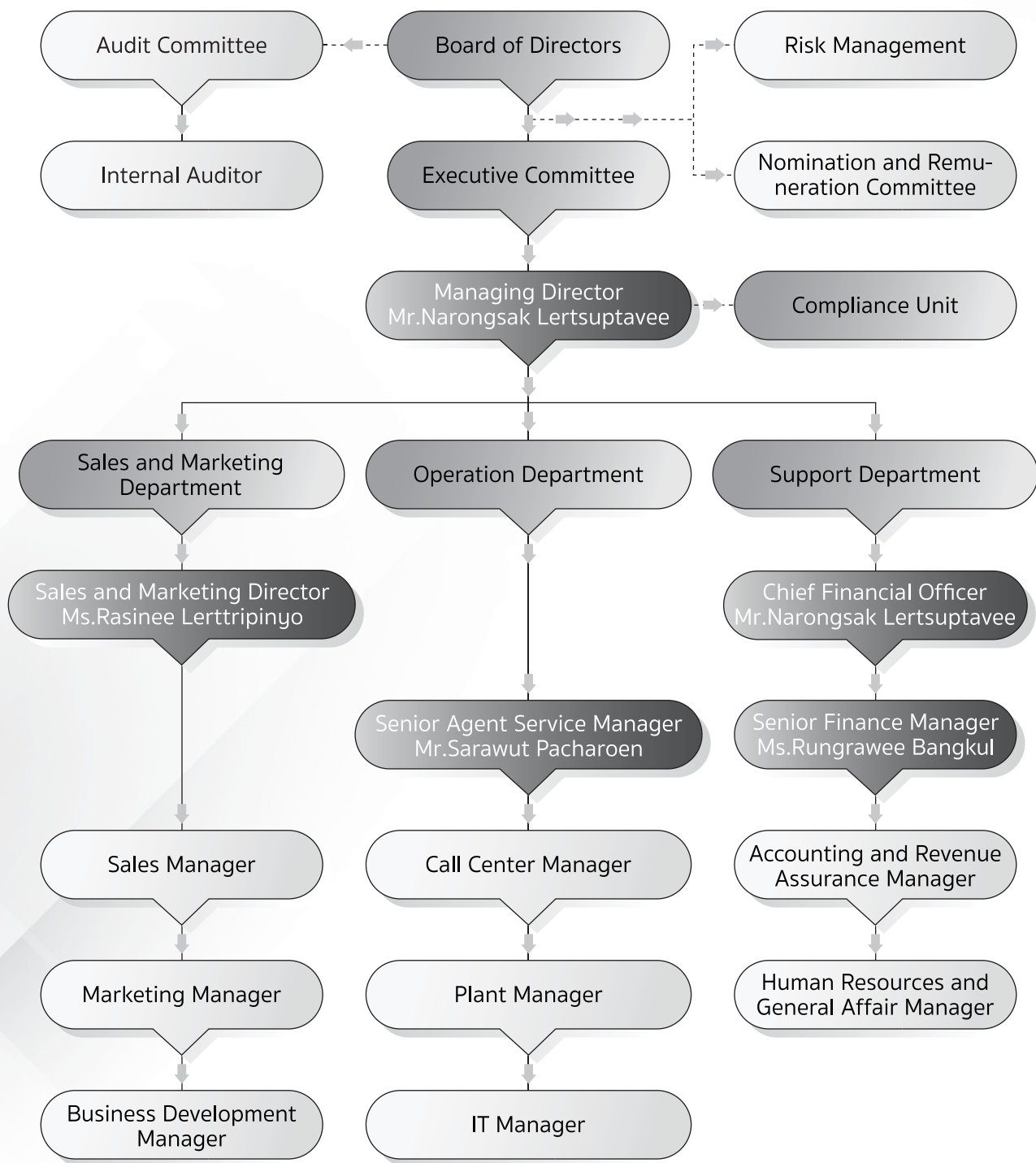
4.1 Risk on relying on the Major Director

Since Mr. Pongchai Amatanont, the founder of the company and currently being a director and the CEO of the company who has long experience in the business is a visionary and has direct responsibilities in formulating policies, directions and business operations of the company. Therefore, the company has a risk of relying on such major directors. For this, in order to diversify the management power and reduce the risk of dependency, the company has organized the organization structure to appoint qualified members with experience in management and business operations and allow executives at various levels to participate in decision making and determine the direction of the company more by decentralizing the management, determining clear assignment of duties and responsibilities in various work areas, therefore each executive has the power to make decisions in detail within the specified scope to reduce the risk of relying on the main director.

4.2 Risk from relying on senior management

High-level executives with the potential to formulate strategies and manage the organization to meet the potential goals push the company to grow and penetrate the business quickly and efficiently. At present, the company still has the risk of relying on such high-level executives. For this, in order to decentralize the management power and reduce the risk of relying on high-level executives, the company established the succession Plan as well as the suitable career development path to reduce the risk of relying solely on senior management.

Organisation Structure



Board of Directors

Mr. Pichit Nimkul

Age 67 years

Chairman of the Board of Directors

Shareholding as of 28 December 2018

0.56% (Including spouse and immature children)

Family relationship between Executive Management

None

Education

MBA (Marketing), National Institute of Development Administration

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 51/2006

Position of listed companies in The Stock Exchange

2013 – Present Chairman of the Board of Directors,
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

None

Experiences

2005 – 2012 Managing Director,
Thai Agro Exchange Company Limited
2002 – 2005 President,
The Mall Shopping Complex Company Limited

Mr. Damrong Kaewprasit

Age 65 years

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

Shareholding as of 28 December 2018

None

Family relationship between Executive Management

None

Education

MBA, Chulalongkorn University
BBA (Accounting), Rajamagala University of Technology

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 107/2014

Position of listed companies in The Stock Exchange

2017 – Present Director / Independent Director / Chairman of
Audit Committee /
Chairman of Risk Management Committee,
Forth Smart Service Public Company Limited
2016 – 2017 Director / Independent Director / Chairman
of Audit Committee / Chairman of Risk
Management Committee / Chairman of
Nomination and Remuneration Committee,
Forth Smart Service Public Company Limited
2013 – 2016 Director / Independent Director / Chairman of
Audit Committee / Chairman of Risk
Management Committee,
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

None

Experiences

2010 – 2013 Director/Managing Director,
KTB General Services Company Limited
2009 – 2009 Executive Vice President,
Krungthai Bank Public Company Limited
1994 – 2008 Senior Vice President,
Krungthai Bank Public Company Limited

Board of Directors

Mr. Boonchai Sowanwanichakul

Age 60 years

Director / Independent Director / Audit Committee /

Risk Management Committee/ Nomination and Remuneration Committee

Shareholding as of 28 December 2018

None

Family relationship between Executive Management

None

Education

B.Eng. (Computer Engineering), Chulalongkorn University

Training of Thai Institute of Directors (IOD) and other training

Director Certification Program (DCP) Class 90/2007

Audit Committee Program (ACP) Class 41/2012

Position of listed companies in The Stock Exchange

2018 – Present Director / Independent Director / Audit Committee
Risk Management Committee/ Nomination and
Remuneration Committee,

Forth Smart Service Public Company Limited

2017 – 2018 Director / Independent Director / Audit Committee
Risk Management Committee,
Forth Smart Service Public Company Limited

2015 – 2017 Director / Independent Director / Audit Committee /
Nomination and Remuneration Committee
Forth Smart Service Public Company Limited

2017 – Present Director, Eastern Power Group Public Company
Limited

Position of the other companies/ other institutions

2013 – Present Director, Krungthai Computer Services
Company Limited

Experiences

2009 – 2016 Subcommittee of information technology
development, Office of the National Anti-
Corruption Commission

2013 – 2016 Director, Provincial Electricity Authority

2008 – 2016 Director, Metropolitan Electricity Authority

Admiral Kraisorn Chansuvanich

Age 63 years

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

Shareholding as of 28 December 2018

None

Family relationship between Executive Management

None

Education

Armed Forces Academies Preparatory School Batch 13

Naval War College, Batch 30

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 130/2016

Top executives program, Thailand Energy Academy, Batch 6

Top executives program, Capital Market Academy, Batch 14

National Defence College, the National Defence Course Class 51

Position of listed companies in The Stock Exchange

2017 – Present Director/Independent Director/Audit Committee
Chairman of Nomination and Remuneration
Committee,

Forth Smart Service Public Company Limited

2016 – 2017 Director/Independent Director/Audit Committee,
Forth Smart Service Public Company Limited

2015 – Present Consultant, CP All Public Company Limited

Position of the other companies/ other institutions

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Experiences

2014 – Present Member of the National Legislative Assembly

2014 – 2017 President of the Yacht Racing Association of
Thailand under the Royal patronage of His
Majesty the King

2015 – 2015 Director, Command Center for Combating Illegal Fishing

2014 – 2015 Member of the National Council for Peace
and Order (NCPO)

2014 – 2015 Commander-in-Chief, Royal Thai Navy

2013 – 2014 Assistant Commander-in-Chief, Royal Thai Navy

2012 – 2013 Special Advisor, Royal Thai Navy

2011 – 2012 Commandant, Royal Thai Naval Academy

2009 – 2011 Deputy Commandant, Royal Thai Naval Academy

2007 – 2009 Deputy Comptroller, Office of the Naval Comptroller

Board of Directors

Pol.Lt.Gen Boriham Siang-arom

Age 68 years

Director / Independent Director / Nomination and Remuneration Committee

Shareholding as of 28 December 2018

None

Family relationship between Executive Management

None

Education

M.H.D., Chulalongkorn University

M.P.A, National Institute of Development Administration

LL.B., Thammasat University

Training of Thai Institute of Directors (IOD) and other training

Director Certification Program (DCP) Class 122/2009

National Defence College, the Joint State – Private Sector Course Class 44

Top executives program, Capital Market Academy, Batch 14

Position of listed companies in The Stock Exchange

2017 – Present Director/Independent Director/ Nomination and Remuneration Committee, Forth Smart Service Public Company Limited

2015 – 2017 Director/ Independent Director, Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

2015 – Present Secretary to the Committee on Agriculture and Cooperatives

The National Legislative Assembly

2015 – Present Screening Subcommittee and Business Development Subcommittee, Mass Rapid Transit Authority of Thailand

Experiences

2016 – 2016 Chief Executive Officer, Premiere League (Thailand) Company Limited

2013 – 2014 Director, World Gas (Thailand) Company Limited

2011 – 2012 Assistant Police Commissioner-General of Royal Thai Police

2010 – 2011 Director, PEA ENCOM International Company Limited

2010 – 2011 Town and Country Planning Board

2009 – 2011 Director, State Railway of Thailand

2008 – 2011 Commissioner of Inspector-General of Royal Thai Police

Mr. Pongchai Amatanon

Age 55 years

Director / Nomination and Remuneration Committee / Chief Executive Officer

Shareholding as of 28 December 2018

5.07% (Including spouse and immature children)

Family relationship between Executive Management

Mrs. Rangsee Lerttripinyo's younger sibling

Education

B.Eng., King Mongkut's Institute of Technology Ladkrabang

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 30/2004

National Defence College, the National Defence Course Class 58

Top executives program, Capital Market Academy, Batch 14

Position of listed companies in The Stock Exchange

2017 – Present Director/ Nomination and Remuneration Committee/ Chief Executive Officer, Forth Smart Service Public Company Limited

2008 – 2017 Director/Chief Executive Officer, Forth Smart Service Public Company Limited

2005 – Present Director/ Chief Executive Officer/ Risk Management Committee, Forth Corporation Public Company Limited

Position of the other companies/ other institutions

2017 – Present Director, Box24 Company Limited

2016 – Present Director, Forth Smart Trading Company Limited

2015 – Present Director, Forth Vending Company Limited

2013 – Present Director, Forth Lighting Company Limited

2011 – Present Director, Forth Consulting Company Limited

2008 – Present Director, Electronic Source Company Limited

2002 – Present Director, Forth Tracking System Company Limited

2002 – Present Director, Forth Meter Company Limited

2002 – Present Director, Genius Traffic System Company Limited

Board of Directors

Mrs. Rangsee Lerttripinyo

Age 58 years

Director / Executive Director

Shareholding as of 28 December 2018

0.74%

Family relationship between Executive Management

Mr. Pongchai Amatanon's older sibling

Education

BBA, Ramkhamhaeng University

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 30/2004

Position of listed companies in The Stock Exchange

2017 – Present Director / Executive Director
Forth Smart Service Public Company Limited

2008 – 2017 Director/Nomination and Remuneration
Committee/Executive Director
Forth Smart Service Public Company Limited

2005 – Present Director /Senior Executive Vice President/
Nomination and Remuneration Committee/
Risk Management Committee
Forth Corporation Public Company Limited

Position of the other companies/ other institutions

2017 – Present Director, Forth Smart Digital Company Limited

2016 – Present Director, Forth Smart Trading Company Limited

2015 – Present Director, Forth Vending Company Limited

2013 – Present Director, Forth Lighting Company Limited

2011 – Present Director, Forth Consulting Company Limited

Mr. Siwaphant Ratanavirojwong

Age 55 years

Director / Risk Management Committee

Shareholding as of 28 December 2018

1.50%

Family relationship between Executive Management

None

Education

LL.B., Ramkhamhaeng University

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 130/2016

Position of listed companies in The Stock Exchange

2017 – Present Director/ Risk Management Committee,
Forth Smart Service Public Company Limited

2016 – 2017 Director,
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

None

Experiences

2012 – 2016 Consultant, Forth Smart Service Public
Company Limited

Board of Directors

Mr. Narongsak Lertsuptavee

Are 39 years

Director / Nomination and Remuneration Committee /
Risk Management Committee / Executive Director / Managing
Director /Finance Director

Shareholding as of 28 December 2018

None

Family relationship between Executive Management

None

Education

M.Acc., Chulalongkorn University

Training of Thai Institute of Directors (IOD) and other training

Company Secretary Class 54/2013

A Risk Management Plan (HRP) Program, 15/2017

Director Accreditation Program (DAP), Class 151/2018

Position of listed companies in The Stock Exchange

2018 - Present Director/Nomination and Remuneration
Committee/Risk Management Committee
/Executive Director / Managing Director
Forth Smart Service Public Company Limited

2013 – 2018 Executive Director / Assistant Managing
Director/Company Secretary
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

2017 - Present Director,
Forth Smart Digital Company Limited

2016 – Present Director,
Forth Smart Trading Company Limited

Experiences

2009 – 2012 Accounting Manager,
Forth Corporation Public Company Limited

Management Team

Mr. Pongchai Amatanon

Age 55 years

Director/Nomination and Remuneration Committee/ Chief Executive Officer

Shareholding as of 28 December 2018

5.07% (Including spouse and immature children)

Education

B.Eng., King Mongkut's Institute of Technology Ladkrabang

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 30/2004

National Defence College, the National Defence Course Class 58

Top executives program, Capital Market Academy, Batch 14

Position of listed companies in The Stock Exchange

2017 – Present Director/ Nomination and Remuneration Committee / Chief Executive Officer, Forth Smart Service Public Company Limited

2008 – 2017 Director/Chief Executive Officer, Forth Smart Service Public Company Limited

2005 – Present Director/ Chief Executive Officer/ Risk Management Committee, Forth Corporation Public Company Limited

Position of the other companies/ other institutions

2017 – Present Director, Box24 Company Limited

2016 – Present Director, Forth Smart Trading Company Limited

2015 – Present Director, Forth Vending Company Limited

2013 – Present Director, Forth Lighting Company Limited

2011 – Present Director, Forth Consulting Company Limited

2008 – Present Director, Electronic Source Company Limited

2002 – Present Director, Forth Tracking System Company Limited

2002 – Present Director, Forth Meter Company Limited

2002 – Present Director, Genius Traffic System Company Limited

Mrs. Rangsee Lerttripinyo

Age 58 years

Director/ Executive Director

Shareholding as of 28 December 2018

0.74%

Education

BBA, Ramkhamhaeng University

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 30/2004

Position of listed companies in The Stock Exchange

2017 – Present Director / Executive Director Forth Smart Service Public Company Limited

2008 – 2017 Director/Nomination and Remuneration Committee/Executive Director Forth Smart Service Public Company Limited

2005 – Present Director /Senior Executive Vice President/ Nomination and Remuneration Committee/Risk Management Committee Forth Corporation Public Company Limited

Position of the other companies/ other institutions

2017 – Present Director, Forth Smart Digital Company Limited

2016 – Present Director, Forth Smart Trading Company Limited

2015 – Present Director, Forth Vending Company Limited

2013 – Present Director, Forth Lighting Company Limited

2011 – Present Director, Forth Consulting Company Limited

Management Team

Mr. Narongsak Lertsuptavee

Age 39 years

Director / Nomination and Remuneration Committee / Risk Management Committee / Executive Director / Managing Director/ Finance Director

Shareholding as of 28 December 2018

None

Education

M.Acc., Chulalongkorn University

Training of Thai Institute of Directors (IOD) and other training

Company Secretary Class 54/2013

A Risk Management Plan (HRP) Program, 15/2017

Director Accreditation Program (DAP), Class 151/2018

Position of listed companies in The Stock Exchange

2018 - Present Director/Nomination and Remuneration Committee/Risk Management Committee /Executive Director / Managing Director
Forth Smart Service Public Company Limited

2013 - 2018 Executive Director / Assistant Managing Director/Company Secretary
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

2017 - Present Director,
Forth Smart Digital Company Limited

2016 - Present Director,
Forth Smart Trading Company Limited

Experiences

2009 - 2012 Accounting Manager,
Forth Corporation Public Company Limited

Ms. Rasinee Lerttripinyo

Age 27 years

Executive Director / Sales and Marketing Director

Shareholding as of 28 December 2018

0.08%

Education

M.Sc. (Management, Organisations and Governance)

The London School of Economics and Political Science

B.Sc. (Accounting and Finance)

The London School of Economics and Political Science

Training of Thai Institute of Directors (IOD) and other training

Director Accreditation Program (DAP) Class 130/2016

Position of listed companies in The Stock Exchange

2016 - Present Sales and Marketing Director,
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

2014 - Present Director, Ravin Personnel Enhancement
Company Limited

Experiences

2015 - 2016 Marketing Manager,
Forth Smart Service Public Company Limited

Management Team

Mr. Sarawut Pacharoen

Age 38 years

Senior Agent Service Manager

Shareholding as of 28 December 2018

None

Education

B.Eng. (Telecommunications Engineering) King Mongkut's
Institute of Technology Ladkrabang

Training of Thai Institute of Directors (IOD)

None

Position of listed companies in The Stock Exchange

2013 – Present Senior Agent Service Manager
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

None

Experiences

2011 – 2013 RFO Engineer, Huawei Technologies
(Thailand) Company Limited

2010 – 2011 Senior Engineer, Ericsson (Thailand)
Company Limited

Ms. Rungrawee Bangkul

Age 40 years

Senior Finance Manager/ Company Secretary

Shareholding as of 28 December 2018

None

Education

MBA, Ramkhamhaeng University

Training of Thai Institute of Directors (IOD)

Course Company Secretary, Model 91/2018

Position of listed companies in The Stock Exchange

2018 – Present Company Secretary/ Senior Finance Manager
Forth Smart Service Public Company Limited

2012 – 2018 Senior Finance Manager
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

None

Experiences

2011 – 2012 Accounting and Finance Manager, Hot Pot
Public Company Limited

2007 – 2010 Accounting Manager, Cencar Company
Limited

Management Structure

The Company's management structure comprises of the Board of Directors and 6 sub-committees, including

- 1) Board of Directors
- 2) Executive Committee
- 3) Audit Committee
- 4) Nomination and Remuneration Committee¹
- 5) Risk Management Committee
- 6) Purchase Committee

Note: ¹The meeting of the Board of Directors No. 7/2018 held on 12 November 2018, resolved to change the Nomination and Remuneration Committee by focusing on the qualifications as specified and following the principles of good corporate governance for listed companies.

Details of each committees as follows:

Board of Directors

As of 31 December 2018, the Board of Directors consists of 9 directors; 3 were executive directors, representing 33.33% of the total number of directors and 6 were non-executive directors representing 66.67% of the total number of directors and in the Board, 4 were independent directors which was 44.44% of the total board as follows:

Name	Position	Date of appointment
1. Mr. Pichit Nimkul	Chairman of the Board of Directors	1 October 2013
2. Mr. Damrong Kaewprasit	Director/Independent Director	1 October 2013
3. Mr. Boonchai Sowanwanichakul	Director/Independent Director	1 October 2013
4. Admiral Kraisor Chansuvanich	Director/Independent Director	8 April 2016
5. Pol.Lt.Gen.Boriham Siang-arom	Director/Independent Director	3 April 2015
6. Mr. Pongchai Amatanon	Director/Chief Executive Officer	3 December 2008
7. Mrs. Rangsee Lertripinyo	Director/Executive Director	3 December 2008
8. Mr. Siwapant Rattanavirjwong	Director	8 April 2016
9. Mr. Narong Lertsapthawee ¹	Director/Executive Director/Managing Director	1 June 2018

Note: ¹ Mr. Somchai Sungawang resigned from the position of Director / Managing Director which was effective 1 July 2018 and the Board of Directors Meeting No. 5/2018 on 1 June 2018 resolved to appoint Mr. Narongsak Lertsapthawee to be a director / Managing Director.

All directors are fully qualified according to the law, such as the Public Company Limited Act, the Securities and Exchange Act with no prohibited characteristics according to the laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Authorized Director

Authorized directors consist of Mr. Pongchai Amatanon, Mrs. Rangsee Lertripinyo and Mr. Narongsak Lertsapthawee. Two of these three are to sign together with the company's seal.

The Scope of Authority of the Board of Directors

1. Performing duties in accordance with laws, objectives and regulations of the company as well as the resolutions of shareholders' meeting
2. Considering and approving vision, mission, policies, goals, operational plans, business strategies and annual budget
3. Considering and approving the the appointing a qualified person who has no prohibited characteristics as specified in the Public Company Act of B.E.2535 and the Securities and Exchange Act including announcements regulations and / or regulations relating to the position of the director in the event that the position of the director was vacant due to other reasons rather than retirement
4. Considering the appointment of executive directors by choosing from the directors of the Company along with determining the scope of authority, duties and responsibility of the executive directors
5. Considering the appointment of independent committee, audit committee and sub-committees by considering the qualifications and prohibited characteristics of independent directors and audit committee members according to the Securities and Exchange Act including the relevant notifications, and /or regulations of the Stock Exchange of Thailand (SET) or proposing to the shareholders' meeting to consider appointing and independent director and audit committee of the company
6. Considering, determining and changing the name of the director which has power to bind the company
7. Appointing any other person to operate the business of the Company under the control of the Board or may authorize such person to have power and / or within the time as the Board deemed appropriate which the Board of Directors may cancel, revoke, change or amend such authority.
8. Considering approval the transaction acquired or disposal of assets unless such transaction has to be approved by the shareholders' meeting. that require approval from the shareholders' meeting. Thus, such approval has to follow the announcement, regulations and /or regulations relating to the Stock Exchange of Thailand
9. Considering approval connected transaction unless such transaction is approved by the shareholders' meeting and will follow the announcement Regulations and / or regulations related to the Stock Exchange of Thailand
10. Considering approval interim dividend payment to shareholders when he saw that the company had enough profit to do so and reporting the dividend payment to the shareholders in the next shareholders' meeting

However, the director who has or may have a conflict of interest with the company or may be stakeholders are not entitled to vote on such issue.

In addition, the following cases must be approved by the Board of Directors and the shareholders' meeting with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote

- (A) the sale or transfer of all part of the Company's business to other parties
- (B) the purchase or acceptance of transfer of business of other private companies or a public limited company to the Company
- (C) the contracting, editing, cancelling contracts on renting of all or some critical business of the Company, assignment to any other person to manage the business of the company or merging with another person for the purpose of sharing the loss and profits
- (D) the amendment the Company's Memorandum of Association or company's regulations
- (E) Increasing or decreasing the registered capital of the Company
- (F) Dissolution of the Company

- (G) Debentures issued by the Company
- (H) Merging of companies with other companies
- (I) Any other actions which are prescribed under the provisions of the securities law and / or the regulations of the Securities Exchange of Thailand must be approved by the shareholders' meeting with the above-mentioned votes, such as acquisition or disposition of assets, connected transactions, etc.

The delegation of authority, duties and responsibilities of the Board of Directors will not have a power of attorney or delegate the authority to allow the Board of Directors or the authorized person from the Board of Directors to approve the transaction that he or the person may have conflict (As defined in the Securities and Exchange Commission's announcement)

Roles of the Chairman of the Board of Directors

Duties of the Chairman, other than those mentioned above are:

1. Acting as the Chairman of the Board of Directors
2. Casting votes in the event that the Board of Directors' meeting has 2 equal votes
3. To call for the meeting of the board of directors
4. Acting as the chairman of the shareholders' meeting

The Executive Committee

As of 31 December 2018, the Executive Committee consists of 4 Executive Directors as follows:

Name		Position
1. Mr. Pongchai	Amatanon	Chairman of Executive Committee
2. Mrs. Rangsee	Lerttripinyo	Executive Director
3. Mr. Narongsak	Lertsuptavee	Executive Director
4. Ms. Rasinee	Lerttripinyo	Executive Director

Note: - Mr. Somchai Sungkawang resigned from the position of Executive Director which effective date 1 July 2018.

The Scope of duties and responsibility of the Executive Committee

1. Planning and formulating policies, strategies on business operations of the company to be in line with economic situations and competitive conditions to propose to the Board of Directors for approval.
2. Controlling the business operation of the company to be in line with the policy or business plan as well as business strategies approved by the Board of Directors
3. Proposing investment plans and/or funding of the company for the Board of Directors and/or the shareholders' meeting to approve, as the case may be.
4. Determining policies, business plans and business strategies of the Company under the objective scope
5. Approving the expenditure of investments as specified in the annual expenditure budget approved by the Board of Directors, or the Board of Directors has approved in principle.
6. Authorized to conduct trading, procurement, renting, ownership, lease, possession, improvement, utilizing or other management of any property, which includes a planned investment approved by the Board of Directors.
7. Authorized to approve the purchase of assets or settlement resulting from the operation of the company according to the contract and/or agreement with the partner according to the details in the authority chart determined by the Board of Directors within the amount authorized by the Board. The Executive Committee is authorized to approve the purchase, procurement, lease, leasing of any property as well

as have to power to invest and pay any expenses necessary for the operation of the company. The details are in the operating manual – the authority given by the Board of Directors.

8. Determining employee welfare in accordance with the conditions and economic status.
9. Performing other action to support the above actions or as assigned by the Board of Directors each time.

The delegation of powers, duties and responsibilities of the Executive Committee above will not include the authority and / or delegation of authority during the approval of any item that he or his authorized representative or person may have a conflict, (as defined in the announcement of the Capital Market Supervisory Board) or conflict of interest or other benefits with the company. The approval of such items must be proposed to the Board of Directors and / or shareholders' meeting (as the case maybe) to consider approving such transaction according to the Company's regulations of Association or related laws.

The Audit Committee

The Audit Committee shall hold office for a term of 3 years with a term of one-year period starting from the date of the Annual General Meeting of Shareholders of the year that the Audit Committee has been appointed until the date of the Annual General Meeting of Shareholders in the next year. The Audit Committee whose term has expired may be re-nominated and reappointed to the position.

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

As of 31 December 2018, the Audit Committee comprised of 3 independent directors who are qualified as defined by the Securities and Exchange Commission as listed below.

Name		Position
1. Mr. Damrong	Kaewprasit	Chairman of Audit Committee
2. Mr. Boonchai	Sowanwanichakul	Audit Committee
3. Admiral Kraisor	Chansuvanich	Audit Committee

Mr. Damrong Kaewprasit, Chairman of the Audit Committee has sufficient knowledge and experience will be responsible for reviewing of the reliability of financial statements.

The Scope of Authority and Duties of the Audit Committee

1. Reviewing to ensure that Company has accurate and adequate financial reports
2. Reviewing to ensure that the Company has an appropriate and effective internal control and internal audit system by considering the independence of the internal audit unit as well as approving the appointment, transfer and dismissal of the head of the internal audit or any other agency responsible for internal audit.
3. Reviewing to ensure that the Company's compliance with the Securities and Exchange Act, Terms of the Stock exchange and laws related to the business of the company.
4. Considering, selecting and proposing the appointment, removing and dismissing of persons who is independent to act as an auditor of the company and propose the remuneration of such person as well as attend the meeting with the auditor without management team attending the meeting as well at least once a year
5. Considering connected transaction or transaction that may have a conflict of interest to comply with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transaction are

6. Preparing the report of the Audit Committee disclosed in the annual report of the Company which must be signed by the Chairman of the Audit Committee and must contain at least the following information:
 - (a) Opinions on the accuracy, completeness and reliability of the financial report of the Company.
 - (b) Opinions on the adequacy of the internal control system of the Company.
 - (c) Opinions on the implementation of the Securities and Exchange Act, terms of the Stock Exchange or laws relating to the Company's business.
 - (d) Opinions on the appropriateness of the auditor.
 - (e) Opinions on transactions that may have conflicts of interest.
 - (f) The number of Audit Committee meetings and the attendance of each Member of the Audit Committee.
 - (g) Overall opinions or observation that the Audit Committee received from performing its duties in accordance with the Charter of the Audit Committee.
 - (h) Other transactions that the shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
7. Performing any other tasks as assigned by the Board of Directors with approval of the Audit Committee.

The Nomination and Remuneration Committee

The Board of Directors' Meeting No. 7/2018 on 12 November 2018 resolved to change the Nomination and Remuneration Committee in order to be qualified as specified and able to manage effectively and appropriately. The Nomination and Remuneration Committee has a term of 3 years and is responsible for call organizing or call the meeting as it deems appropriate at least once a year and is authorized to call additional meetings as necessary.

As of 31 December 2018, the Nomination and Remuneration Committee consists of 3 independent directors, representing 60 percent of the total number of directors and 2 executive directors, representing 40 percent of the total number of directors as follows:

Name		Position
1. Admiral Kraisorn	Chansuvanich	Chairman of Nomination and Remuneration Committee/ Independent Director
2. Pol.Lt.Gen. Boriarn	Siang-arom	Nomination and Remuneration Committee / Independent Director
3. Mr. Narongsak	Lersabthawee ¹	Nomination and Remuneration Committee / Executive Director
4. Mr. Pongchai	Amatanon	Nomination and Remuneration Committee / Executive Director
5. Mr. Boonchai	Sowanwanichkul ²	Nomination and Remuneration Committee / Independent Director

Note: ¹ Mr. Somchai Sungkawang resigned from the position of Nomination and Remuneration Committee, which was effective 1 July 2018 and the Board of Directors Meeting No. 5/2018 on 1 June 2018 resolved to appoint Mr. Narongsak Lertsapthawee to become a member of the Nomination and Remuneration Committee.

²The Board of Directors' Meeting No. 7/2018, on 12 November 2018, resolved to appoint Mr. Boonchai Sawanwanichkun to become a member of the Nomination and Remuneration Committee in order to comply with good corporate governance policy.

The Scope of Authority and Duties of the Nomination and Remuneration Committee

Recruitment

1. Determining criteria and policies for recruiting directors and sub-committees by considering the appropriateness of the structure, number of elements of the Board and determining the qualifications of directors to propose to the shareholders' meeting, as the case may be.
2. Recruiting, selecting and proposing individuals to be directors of the Company, sub-committees, Top management and company secretary to present to the Board of Directors and/or shareholders to consider and approve in the case of a vacancy due to completion of the term and in other cases.
3. Performing any other actions related to recruitment as assigned by the Board of Directors.

Remuneration

1. Proposing a return policy and guidelines for paying remuneration and other benefits for the directors in the Board of Directors, Sub-committees and top management as appropriate to the duties, responsibilities in accordance with the Company's performance and the market condition
2. Determining necessary and appropriate remuneration both monetary and non-monetary for the individual Board of Directors each year by considering the appropriateness of obligations, responsibilities, performance comparing with other companies in the similar business and benefits expected from the directors in order to propose to the Board of Directors for agreement and present to the shareholders' meeting for approval.
3. Reporting the policies, reasons and principles in determining the remuneration of directors and executives according to the regulations of the Stock Exchange of Thailand and disclosing them in the Company's annual registration statement (form 56-1) and the annual report.
4. Performing other duties relating to the determination of remuneration as assigned by the Board of Directors.

Risk Management Committee

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

As of 31 December 2018, the Risk Management Committee of the company consists of 4 Management Committee members as follows:

Name		Position
1.	Mr. Damrong Kaewprasit	Chairman of Risk Management Committee/Independent Director
2.	Mr. Boonchai Sowanwanichakul	Risk Management Committee/Independent Director
3.	Mr. Narongsak Lertsapthawee ¹	Risk Management Committee
4.	Mr. Siwaphant Ratanavirojwong	Risk Management Committee

Note: ¹Mr. Somchai Sungswang resigned from the position of Risk Management Committee which was effective 1 July 2018 and the Board of Directors Meeting No. 5/2018 on 1 June 2018 resolved to appoint Mr. Narongsak Lert Sapthawee to become a member of the Risk Management Committee.

The Scope of Authority and Duties of the Risk Management Committee

1. Considering, approving, formulating a policy, structure and risk management both in the overall framework and related policies. Risk management and management at various sections or departments will be set up to comply or comply with laws that will affect the business of Forth Smart Service Public Company Limited.
2. Determining the rules, procedures and procedures for the management plan and manage all risks related to the business of the company including screening on risk management on important issues and determining the acceptable risk level and establishing a risk management plan for the company.
3. Promoting, supporting, following up, corrective actions, supervising and monitoring management and risk management to be successful in accordance with the objectives and policies set forth.
4. Supervising the progress of the risk management plan and business continuity plan including crisis management.
5. Providing comments and suggestion measures or methods to solve problems in risk management and setting a policy framework and the steps for managing risks that may occur in each area as appropriate well as reporting risk management performance to the Board regarding risk, Audit Committee and the Board of Directors according to the agenda and related matters.
6. Being authorized to consider appointing a sub-committee or the Risk Management Working Group or the person responsible for risks in each area to work to correct or mitigate risks that may occur as appropriate
7. Considering the risk of the organization by categorizing risks into 6 areas as follows
 - 1) Strategy risk
 - 2) Marketing risk
 - 3) Operational risk
 - 4) Financial risk
 - 5) Risk of non-compliance with law
 - 6) Image and reputation risks
8. Considering the risk assessment results of the organization assigned to the sub-committee or the Risk Management Working Group or who are responsible for risks in each area to work, including monitoring, managing risks and reporting the risk assessment results of the organization to the Board of Directors for acknowledgment.

Purchasing Committee

The Company has appointed a procurement committee in for purchasing of online top-up machine (Boonterm kiosk) from Forth Corporation Public Company Limited (FORTH) with fair pricing and comparing price before ordering.

As of 31 December 2018, the Purchase Committee consists of 2 purchasing directors as following:

Name		Position
1.	Mr. Narongsak Lertsuptavee	Purchase Director
2.	Ms. Rasinee Lerttripinyo	Purchase Director

Note: Mr. Somchai Sungkawang resigned from the position of Purchasing Director which was effective on 1 July 2018.

Scope of authority and duties of the Purchasing Committee

1. The Purchasing Committee is the representative of the Board of Directors.
2. The Purchasing Committee has a duty to determining the type of product specifications to be purchased and pricing.
3. Considering and selecting quality products with properties that are beneficial to the Company.
4. Considering the purchase price of the online top-up machine at a price that does not exceed the price that the Company can supply in the general market and the machines need to have qualifications and qualities that can compare with the one proposed by FORTH.

Management Team

As of 31 December 2018, the Executive Committee* in according with the definition of the Securities and Exchange Commission consists of 4 executives as following:

Name		Position
1. Mr. Narongsak	Lertsuptavee ¹	Managing Director / Finance Director
2. Ms. Rasinee	Lerttripinyo	Sales and Marketing Director
3. Mr. Sarawut	Pacharoen	Senior Agent Service Manager
4. Ms. Rungrawee	Bangkul	Senior Finance Manager

Note: ¹ Mr. Somchai Sungswang resigned from the position of Managing Director which was effective July 1, 2018 and the Board of Directors Meeting No. 5/2018 on 1 June 2018, resolved to appoint Mr. Narongsak Lert Saphthawee to become a director / Managing Director.

- Mr. Tnutpong Soisuwan resigned as Assistant Director of Business Development which was, effective on 31 July, 2018.

* The executive (according to the SEC definition) means the managing director or the first four executive level positions, ranking from the managing Director. Those who hold positions equivalent to those of the fourth executive level and shall include those holding positions at the management level in accounting and finance, or equivalent.

Scope of duties and responsibilities of the Managing Director

1. To manage and control the normal business operations of the company and may authorize the executive or any other person to take action on the daily operations of the company.
2. To determine and supervise the overall operation in practice in order to comply with the policies set by the Board of Directors and / or the Executive Committee
3. To proceed as assigned by the Board of Directors and / or the Executive Committee
4. Authorized to approve the purchase, lease or investment according to the plan approved or have the authority to approve or cancel the purchase, employment, rent, leasing, sale of property, investment and payment for all expenses necessary for the operation of the company with details as in the operation manual - the authority determined by the Board of Directors.
5. Authorized to approve purchasing property or payment for cost or expenses due to the operation of the company and relating to the contract and / or agreement with the partner with details as in the operation manual - the authority determined by the Board of Directors.
6. To consider the business strategy and fund raising of the company to present to the Board of Directors and / or the Executive Committee in order of importance.

7. Authorized to hire, appoint, transfer, dismissal, lay off, stipulate wages, give rewards, salary increase and other compensation of all employees of the company in the position below the department manager.

8. Authorized to open and close various types of deposit accounts with banks and financial institutions for the convenience of normal business operations of the company by taking into account the benefits of the company

9. To propose for approval of the appointment of consultants in various areas that are necessary for the operation of the company through the board of directors.

10. Authorized to issue orders, regulations, announcements, notes to ensure that the operations are in accordance with the policies and benefits of the company and to maintain disciplines within the organization.

11. To propose management guidelines for the Board of Directors and the Executive Committee for consideration.

12. To summary of performance to present to the Board of Directors and the Executive Committee

13. To supervise and manage the sales and marketing management tasks both domestically and internationally.

The delegation of authority, duties and responsibilities of the Managing Director mentioned above, the Managing Director must comply with various requirements and agenda approved by the Board of Directors and will not include the authority and / or delegation of authority during the approval of any items that he or his authorized representative or persons who may have conflicts (As defined in the Capital Market Supervisory Board announcement) has a conflict of interest or other benefits with the company. The approval of such transactions must be submitted to the Board of Directors and / or the shareholders' meeting (As the case may be) to consider approving such transactions according to the company's regulations or related laws.

Anything other than those mentioned above, the Managing Director cannot do it unless assigned by the Board of Directors from time to time. In addition, the delegation of authority to act on various important issues, is a power of attorney made by the Board of Directors.

Company Secretary

The Board of Directors' Meeting No. 5/2018, on 1 June 2018, resolved to appoint Ms. Roongrawee Bangkun to be the Company Secretary to take care of various activities of the Board of Directors and supervise the Board of Directors to comply with the Company's regulations as well as various laws and regulations associated with the scope of authority and the responsibilities of the company secretary as follows:

1. To prepare and maintain the following documents:
 - (a) Registration of directors
 - (b) Board meeting invitation letter, Board meeting minutes and the annual report of the company
 - (c) Notice of shareholders meeting and meeting minutes of shareholders
2. To maintain reports of interest reported by directors or executives and submit a copy of the report to the Chairman and the Chairman of the Audit Committee within 7 business days from the date the Company receives the report.
3. To create a system for keeping documents and evidence related to the following information including ensuring that the documents or evidence are kept correctly and completely and can be inspected for a period of not less than 5 years from the date that the document or information is prepared.

Keeping the above documents and evidence shall include storage by computer system or any other system that can be viewed without changing the text.

- (1) Providing information for the resolution of the shareholders' meeting

(2) Financial statements and reports on the financial status and operating results of the company or any other reports that must be disclosed under Section 56, Section 57, Section 58 or Section 199 of the Securities and Exchange Act

(3) Company opinion when there is a general tender offer for shares of the company from shareholders

(4) Providing information or other reports about the business that the company has prepared to disseminate to shareholders or the general public as prescribed by the Capital Market Supervisory Board

4. To perform other tasks as announced by the Capital Market Supervisory Board

5. Having to perform duties with responsibility, caution and honesty including comply with laws, objectives, regulations of the company Board resolution as well as the resolution of the shareholders' meeting and does not act in any way that is contrary to or inconsistent with the interests of the company significantly.

6. Must perform duties with responsibility and caution as a business person like that should be done under the same circumstances by

(1) The decision has been made in good faith and reasonable that it is for the best interest of the company.

(2) The decision has been made based on information that is believed to be good enough and

(3) The decision has been made by himself without a stake whether directly or indirectly in the matter that is decided

In the case that the company secretary vacates office, he cannot perform his duties. The board of directors shall appoint a new company secretary within 90 days from the date the former company secretary vacates office or is unable to perform his duties.

Compliance Unit

The company has established a Compliance Unit and risk management department with Mrs. Jutamat Mungmat as head of the corporate governance and risk management department which is responsible for overseeing the rules, regulations, practices and operations to be in accordance with the relevant laws of the company and the control, monitoring and following up security of the information systems for electronic payment services of the company including comprehensive and appropriate risk management from the business of the company as a company that has received a license to conduct payment service business under corporate governance and being a professional on electronic money cards under Section 16 (7) and those who are engaged in electronic payments under Section 16 (9) in accordance with the laws relating to the electronic money card business and monitoring the payment service business under the control of the Bank of Thailand (BOT) and the Anti-Money Laundering Office (AMLO) and as a listed company in compliance with relevant regulations of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), including public company law and other laws Related to the business of the company

Nomination of Directors and Executives

Composition and recruitment of the Board of Directors

1. The company has the board of directors to carry out the business of the company, consisting of at least 5 directors and not less than half of the total number of directors must have residence in the Kingdom and the company's directors must be qualified as required by law and the Company's directors may or may not be shareholders of the company.

2. In the shareholders' meeting, directors are appointed according to the criteria and procedures as following:

2.1 A shareholder has one vote per one share.

2.2 Each shareholder will use all existing votes in accordance with Article 2.1 to elect one or several persons as directors. In the case of selecting multiple persons as directors, they cannot share their votes with any number of persons.

2.3 Persons who receive the highest votes in descending order are elected as directors, equal to the number of directors that should be or should be elected at that time. In the event that the person elected in descending order has the same number of votes, exceeding the number of directors that should be or should be elected at that time, the chairman of the meeting to cast the deciding vote.

3. At every annual general meeting of shareholders, the directors shall retire from office by one-third (1/3) of the number of directors at that time. If the number of directors cannot be divided into exactly three parts, they are to be released by the number closest to one-third (1/3) and the retired director may be elected to return to the position again. The directors who must retire in the first and second year after the registration of the company shall take a lucky draw to retire. In subsequent years, the directors who are in the position for the longest time shall be the one to resign.

4. Any directors who will resign from the position shall submit a resignation letter to the company. The resignation will be effective from the date the resignation letter reaches the company.

5. The shareholders' meeting may pass a resolution to remove any directors from office before the expiration of the term by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and having a total of not less than half of the shares held by the shareholders attending the meeting and entitled to votes.

6. In the event that the position of the director is vacant due to reasons other than expiration of the term, let the Board choose select the person with the qualifications and has no prohibited characteristics under the law on Public Limited Companies or the Securities and Exchange laws to be the director in the next Board meeting unless the term of that director is less than 2 months, the person who is the replacement director will be in the position of the director for only the remaining term of the director he replaces and the resolution of the committee under the first paragraph shall consist of votes of not less than three-fourths (3/4) of the remaining directors.

7. The board of directors shall select one director as chairman, and in the case that the directors consider it appropriate, the board can select one or more directors as vice chairman. The vice chairman has duties according to the regulations in the business assigned by the chairman.

Composition and recruitment of the Audit Committee

The Audit Committee of the Company must be appointed by the Board of Directors and approved by the shareholders of the Company to hold the position of Director of the Company and have qualifications as specified by the Securities and Exchange Act including the announcement, regulations and / or orders of the Stock Exchange of Thailand with a minimum of 3 members. At least 1 member of the Audit Committee must be knowledgeable in accounting and finance. The term of office of the Audit Committee is 3 years, from the date of appointment and when the term has expired, if the Board of Directors or the shareholders' meeting has not yet resolved to appoint a new Audit Committee, the former Audit Committee will continue to perform duties until the Board of Directors or the shareholders' meeting has appointed a new audit committee to replace the former Audit Committee whose term has expired and / or is in accordance with the term of the Company's directors. The Audit Committee members who have been appointed must be independent directors and have the qualification as the Audit Committee as follows:

Independent Board Qualifications

1. Holding shares not more than 1 percent of the total number of shares with eligible votes of the company, parent company, subsidiary company, associate company, major shareholder or the person having control power of the company, including the shareholding of related persons of that independent director.

2. Not being or used to be a director who is involved in the management work, employees, consultants who receive regular salary or person who have power to control the company, parent company, subsidiary company, associated company, same-level subsidiary, major shareholder or of the controlling person of the company except that such person has been free from that status for not less than 2 years before the date of submission of the request to the Office of the Securities and Exchange Commission. Such prohibited characteristics do not include the case where the independent director used to be a government official or consultants of government agencies which is a major shareholder or the controlling person of the company.

3. Not being a person who has a relationship by blood or by legal registration in a manner that is father, mother, spouse, sibling and child, including spouse of the child of the executives, major shareholder, controlling person or the person who will be offered as an executive or the controlling person of the company or subsidiaries.

4. Not having or used to have a business relationship with the company, parent company, subsidiary company, associate company, major shareholder or the person having control of the company in a manner that may obstruct their independent judgment including not being or having been a significant shareholder or the person who has control over the person who has business relationship with the company, parent company, subsidiary company, associate company, major shareholder or the controlling person of the company unless he has been terminated for not less than 2 years before the date of submission of the application to the Securities and Exchange Commission.

5. Not being or having been an auditor of the company, parent company, subsidiary company, associate company, major shareholder or the controlling person of the company and not being a significant shareholder, controlling person or partner of the audit office which has the auditor of the parent company, subsidiary company, associated company, major shareholder or the controlling person of the company under unless he has been terminated for not less than 2 years before the date of submission of the application to the Securities and Exchange Commission.

6. Not being or having been a professional service provider which includes providing legal services or financial advisor which received a service fee of more than 2 million baht per year from the company, parent company, subsidiary company, associated company, major shareholder or the controlling person of the company And not being a significant shareholder Controlling person or a partner of that professional service provider unless he has been terminated for not less than 2 years before the date of submission of the application to the Securities and Exchange Commission.

7. Not being a director appointed as a representative of the company's directors, major shareholder or shareholders which is related to the major shareholder.

8. Not operating in a business that has the same condition and is a significant competition with the business of the company or subsidiary or not a significant partner in the partnership or being a director who is involved in the management of an employee, employee, advisor who receives a regular salary or holds more than 1 percent of the total number of shares with voting rights of other companies which operates a business of the same condition and is a significant competition with the business of the company or subsidiary.

9. There is no other characteristic that makes him unable to give independent opinions about the operations of the company.

10. Independent directors according to the above qualifications may be assigned by the Board of Directors to make decisions on the operation of the company, its parent company, subsidiary company, associated company, same-level subsidiary, major shareholder or controlling person by having a decision in the form of a Collective Decision.

Qualifications of the Audit Committee

1. Not being a director assigned by the Board of Directors to decide on the business of the company, parent company, subsidiary company, associated company, same-level subsidiary, major shareholder or the controlling person of the company.
2. Not being a director of the parent company, subsidiary company or same-level subsidiary company that is a listed company.
3. Have sufficient knowledge and experience to be able to act as an Audit Committee member. at least one Audit Committee member must have sufficient knowledge and experience to be able to perform the duty of reviewing the reliability of financial statements.
4. Having duties in the same manner as specified in the announcement of the Stock Exchange of Thailand regarding the qualifications and scope of work of the Audit Committee.

The composition and nomination of the Executive Committee

The Executive Committee must be a director and / or executive of the company which has been appointed by the Board of Directors with the number as the Board of Directors deems appropriate where the Board of Directors will appoint an executive director as the chairman of the executive board.

The composition and nomination of the Managing Director

The Managing Director will come from the nominating of the Executive Committee by selecting from persons who is member in the Executive Committee at the time of selection to propose to the Board of Directors to approve the appointment of persons to be appointed as the Managing Director.

The meeting of the Board of Directors and Audit Committee

Record of attendance of Directors and Audit Committee in the year 2018

Name			No. of Attendance/No. of all meetings	
			Board of Directors	Audit Committee
1.	Mr. Pichit	Nimkul	7/7	-
2.	Mr. Damrong	Kaewprasit	7/7	4/4
3.	Mr. Boonchai	Sowanwanichakul	7/7	4/4
4.	Admiral Kraisorn	Chansuvanich	7/7	4/4
5.	Pol.Lt.Gen.Boriharn	Siang-arom	7/7	-
6.	Mr. Pongchai	Amatanon	7/7	-
7.	Mrs. Rangsee	Lerttripinyo	7/7	-
8.	Mr. Somchai	Sungswang	5/5	-
9.	Mr. Siwaphant	Ratanavirojwong	7/7	-
10.	Mr. Narongsak	Lertsapthawee ¹	2/2	-

Note: ¹ Mr. Somchai Sungswang resigned from the position of Managing Director which was effective on 1 July 2018 and the Board of Directors Meeting No. 5/2018 on 1 June 2018 resolved to appoint Mr. Narongsak Lertsapthawee to replace the former director / Managing Director

The meeting of Sub-Committee

Record of attendance of the Risk Management Committee and the Nomination and Remuneration Committee in the year 2018

Name	No. of Attendance/No. of all meetings	
	Risk Management Committee	Nomination and Remuneration Committee
1. Mr. Damrong Kaewprasit	4/4	2/2
2. Mr. Boonchai Sowanwanichakul	4/4	-
3. Admiral Kraisor Chansuvanich	-	2/2
4. Pol.Lt.Gen.Boriharn Siang-arom	-	2/2
5. Mr. Siwaphant Ratanavirojwong	3/4	-
6. Mr. Pongchai Amatanon	-	1/1
7. Mr. Somchai Soongswang	2/2	2/2
8. Mr. Narongsak Lertsapthawee ¹	2/2	-

Note: ¹ Mr. Somchai Sungswang resigned from the position of Managing Director which was effective on 1 July 2018 and the Board of Directors Meeting No. 5/2018 on 1 June 2018 resolved to appoint Mr. Narongsak Lertsapthawee to replace the former risk management director and the Nomination and Remuneration committee.

Remuneration of Directors and Management

1. Monetary Compensation

1) Remuneration for Board of Directors

The Annual General Meeting of Shareholders for the year 2018 on 20 April 2018 has approved the directors' remuneration for the year 2018 which are listed below.

Composition of Remuneration for Directors	2018
<u>The meeting allowances</u>	
Chairman of the Board of Directors	33,000 Baht / person / each attendance
Directors	22,000 Baht / person / each attendance
Chairman of the Audit Committee	49,500 Baht / person / each attendance
Audit Committee	46,200 Baht / person / each attendance

Note: The said meeting has set the annual remuneration in the amount not exceeding 2,500,000 baht.

1.1) Individual remuneration as a Director and Audit Committee

For the period from 1 January 2018 to 31 December 2018 and details are as follows:

Unit: Baht

Name	Board of Directors		Audit Committee	
	2017	2018	2017	2018
1. Mr. Pichit Nimkul	198,000	231,000	-	-
2. Mr. Damrong Kaewprasit	132,000	154,000	247,500	198,000
3. Mr. Boonchai Sowanwanichakul	132,000	154,000	231,000	184,800
4. Admiral Kraisorn Chansuvanich	132,000	154,000	231,000	184,800
5. Pol.Lt.Gen.Boriharn Siang-arom	88,000	154,000	-	-
6. Mr. Pongchai Amatanon	110,000	154,000	-	-
7. Mrs. Rangsee Lerttripinyo	132,000	154,000	-	-
8. Mr. Somchai Soongswang	132,000	110,000	-	-
9. Mr.Siwapant Ratanavirojwong	132,000	154,000	-	-
10. Mr. Narongsak Lertsapthawee	-	44,000	-	-
Total	1,188,000	1,463,000	709,500	567,600

1.2) Annual remuneration

Annual Gratuity	2017	2018
Gratuity amount	1,000,000 Baht	1,000,000 Baht

Note: The said Annual General Meeting of Shareholders had defined the annual remuneration in the amount not exceeding 1,000,000 baht.

2) Remuneration for Sub-Committee

Unit: Baht

Name	Risk Management Committee		Nomination and Remuneration Committee	
	2017	2018	2017	2018
1. Mr. Damrong Kaewprasit	30,000	60,000	15,000	-
2. Admiral Kraisorn Chansuvanich			-	30,000
3. Mr. Boonchai Sowanwanichakul	20,000	40,000	-	-
4. Pol.Lt.Gen.Boriharn Siang-arom	-	-	-	20,000
5. Mr. Pongchai Amatanon	-	-	10,000	10,000
6. Mrs. Rangsee Lerttripinyo	-	-	10,000	-
7. Mr. Somchai Soongswang	20,000	20,000	10,000	20,000
8. Mr. Siwapant Ratanavirojwong	20,000	30,000	-	-
9. Mr. Narongsak Lertsapthawee	-	20,000	-	-
รวม	90,000	170,000	45,000	80,000

Note: The Board of Directors' meeting, dated 12 November 2018, resolved to appoint a new Nomination and Remuneration Committee, detailed according to the management structure.

3) Remuneration for Executives

Remuneration for executives	2017		2018	
	No. of Executives (person)	Amount (Baht)	No. of Executives (person)	Amount (Baht)
Salary and Bonus	5	8,633,900.41	5	7,915,285.08

Note: The company does not provide any other benefits to the executives apart from salary, wages, bonuses, accident insurance, life insurance, provident fund, annual health check and contributions to the social security fund. The bonus paying and annual salary adjustment will evaluate by the results of the operation (KPI) and business performance which are considered reasonably.

2. Non-monetary Remuneration

– None –

Remuneration for Auditor

1. Audit fee

The Company and its subsidiary paid audit fee in 2018 to the EY Office Limited and the details are as follow:

- Forth Smart Service Public Company Limited paid audit fee of 1,500,000 Baht.
- Forth Smart Trading Company Limited paid audit fee of 210,000 Baht.
- Forth Smart Digital Company Limited paid audit fee of 170,000 Baht.

2. Non-audit fee

The company paid compensation for other services to the KPMG Poomchai Advisory Accounting Co. Ltd. with the following details:

- Examination fees for general control of information technology systems in order to comply with the conditions of the Bank of Thailand in the electronic payment service business, account c (6) (e-Money), amount 670,000 baht

Shareholding Structure

As of 28 December 2018, Forth Smart Service Public Company Limited had Baht 400,000,000 of registered share capital which were issued capital and paid-up capital, totally Baht 400,000,000 divided into 800,000,000 ordinary shares with a par value of Baht 0.5 each.

Top 10 major shareholders of the Company as of 28 December 2018 as follows:

Rank	Major Shareholder	No. of Share	% Shares
1	Forth Corporation Public Company Limited	380,447,900	47.56%
2	Ms. Wannaporn Hensaengwilai	30,785,000	3.85%
3	Mr. Pongchai Amatanon ¹	27,174,640	3.40%
4	Forth Smart Service Public Company Limited	20,000,000	2.50%
5	Mrs. Monthip Wittayakorn	13,439,600	1.68%
6	Mrs. Wantana Amatanon	13,408,960	1.68%
7	Mr. Siwaphant Ratanavirojwong	12,000,000	1.50%
8	Mr. Nattapon Songsaichonchai	8,532,600	1.07%
9	Mr. Sophon Assawasriworanan	8,222,000	1.03%
10	Mr. Somchai Akkadechsakul	7,950,000	0.99%
	รวม	521,958,700	65.24%

Note ¹ Mr. Pongchai Amatanon including spouse and immature children

Source: Thailand Securities Depository Co., Ltd.

Major shareholders whose behavior can influence when determining policy or handling operation, are

1. **Forth Corporation Public Company Limited**, major shareholder of Forth Corporation Public Company Limited as follows:

Shareholder	No. of Share	% Shares
Amatanon Family	522,512,400	54.4%

Note 1) Information at the latest book closing date as of 28 August 2018 (source: Thailand Securities Depository Co., Ltd.)

2) Amatanon family includes Mr. Pongchai Amatanon (including spouse) holding 38.203%, Mrs. Rangsee Lertripinyo holding 6.194%, Mr. Kaelic Amatanon holding 6.034%, Mr. Pattanan Amatanon holding 0.031%, Ms. Nisa Amatanon holding 0.018%, Mr. Atsila Amatanon holding 0.023%, Mr. Chawin Lertripinyo holding 0.214%, Ms. Rasinee Lertripinyo holding 0.156%, Mr. Sittichoke Amatanon holding 0.003%, Ms. Laksika Amatanon holding 0.002%.

2. **Amatanon family** includes Mr. Pongchai Amatanon (including spouse) holding 5.07%, Mrs. Rangsee Lertripinyo holding 0.74%, Mr. Kaelic Amatanon holding 0.72%, Ms. Rasinee Lertripinyo holding 0.08% and Ms. Nisa Amatanon holding 0.003%.

The Company's 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 deduction of retained loss (if any) and any reserves according to the Company's articles of association or by law without any other necessities and such dividend payment has no significant effect on the Company's operation.

However, the dividend payment approval by the Board of Directors must be proposed to approve by the Shareholders' General Meeting except for an interim dividend payment. The Board of Directors has the right to approve an interim dividend payment and inform the next Shareholders' General Meeting.

	2016	2017	2018
Dividend per share ¹ (Baht)	0.42 Baht	0.55 Baht	0.62 Baht
Earnings per share (Baht)	0.53 Baht	0.68 Baht	0.74 Baht
Dividend payout ratio	79%	81%	84%
Total of shares (shares)	800,000,000 shares	800,000,000 shares	780,000,000 shares ²
Total dividend payment (Baht)	336,000,000 Baht	440,000,000 Baht	483,600,000 Baht

Note: ¹The Board of Directors resolved to propose the 2019 Annual General Meeting of Shareholders for considering an approval of a dividend payment for the year 2018 performance at Baht 0.62 per share. In this regard, the Company already paid the first dividend payment to shareholders as an interim dividend at Baht 0.30 per share on 4 September 2018. Therefore, the second dividend payment will be at Baht 0.32 per share. However, giving such dividend payment right must be approved by the Annual General Meeting of Shareholders at 19 April 2019.

²Excluding the repurchased shares of 20,000,000 shares.

Corporate Governance

The Board of Directors recognizes that good governance is an important factor in the implementation that will bring maximum benefits to shareholders and various groups of stakeholders. It is the basis for the success of business operations and strengthen the organization for sustainable growth. Therefore, the Board of Directors has determined the corporate governance policy and business ethics under good governance principles and adhering to the good corporate governance guidelines of the Stock Exchange of Thailand. The Board of Directors has reviewed the good corporate governance in accordance with good corporate governance principles for listed companies 2017 (CG Code) in the Board of Directors Meeting No. 7/2018 on 12 November 2018, to ensure that the policies can be deployed according to the business context of the company and the Board of Directors, executives and employees have accepted and implemented strictly and continuously.

Section 1

Rights of Shareholders

The Board always recognizes the importance of basic rights of shareholders by laying down principles for treating shareholders fairly and in accordance with the law, such as the right to trade and transfer shares, right to receive dividends, the right to receive information about the company, right to attend the shareholders' meeting, the right to vote on various agendas that consider the right to appoint a proxy to attend the meeting, right to appoint directors and auditors, rights to express opinions and inquire directors at the shareholders' meeting, and the right to propose agenda and nominate directors in advance, etc., and ensure that shareholders receive such rights strictly as well as not taking any actions that violates or deprives shareholders of their rights.

1. Meeting of Shareholders

The Company held the Annual General Meeting of Shareholders for 2018 in accordance with the regulations of the Stock Exchange of Thailand, in compliance with the guidelines for managing the shareholders' meeting of the Securities and Exchange Commission (SEC).

Determining the date, time and venue of the shareholders' meeting

According to the Company's Article of Association, the Company needs to have an AGM within 4 months dating from the end of the fiscal year. In the year 2018, the Company had held the AGM on Friday 20 April 2018 at 14.00 p.m. at Forth Smart Service Office Building 256, 7th floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok, which was a convenient place to travel of the shareholders and the meeting was opened for registration from 12.00 a.m.

Prior to the Meeting Date

To allow shareholders to have sufficient time to study the information, the company had sent the meeting invitation letter including supporting documents for the meeting agenda and supporting documents for attending the meeting at least 7 days prior to the meeting date. Such documents aim to help shareholders have sufficient information to consider and vote on each agenda item and facilitate shareholders to exercise their rights. The document contains information as following:

- Facts and reasons along with the opinions of the Board of Directors for each agenda
- Important information such as the history of the individual directors and the definition of independent directors for consideration in the agenda regarding the election of directors to replace those retiring by

offered all forms of remuneration including meeting allowance, bonus / reward and other benefits to the shareholders for consideration to approve the directors' remuneration.

- Detailed meeting procedures and proxy of shareholders which shareholders can appoint independent directors to be proxy, the proxy form is a form that shareholders can specify their opinion on voting.
- The company gives importance to respecting the rights of shareholders. In the 2018 Annual General Meeting of Shareholders, the Company did not add any agenda or change important information at the meeting suddenly.
- The meeting invitation and supporting documents for shareholders were published in the Company's website, www.boonterm.com, prior to the meeting.

Meeting Date

The Company facilitates shareholders to attend the meeting and conducts the meeting transparently including creates friendly atmosphere for shareholders to ask questions and fully comment as follows:

- Encouraging directors, senior managers, auditors attend the shareholders' meeting to answer questions and acknowledge the opinions of shareholders. In the year 2018, there were 9 directors attending the meeting from 9 persons representing 100% of total number of directors.
- Conducting the shareholders' meeting in accordance with the agenda set out in the notice of the shareholders' meeting.
- Providing equal opportunity to comment and to ask a question on each agenda item according to the agenda of the meeting. The Chairman of the meeting had, concentrated on and answered questions in all issues and had the meeting recorded completely. Chairman of the Board of Directors in the meeting time had allocated adequate time and conducted the meeting in appropriate and transparent actions by voting and concluding each meeting agenda.
- Arrange the use of ballots in every agenda for transparency and verification by counting votes, the company will count 1 share for 1 vote and hold a majority vote as resolution of the normal agenda. If the votes are equal, the chairman of the meeting will resolve by casting his vote apart from voting as a shareholder. For voting on special occasions, the company will conduct the meeting in comply with company regulations or laws and regulations of relevant agencies.
- In the event that any shareholder has a special interest in any agenda item, that shareholder will be prohibited from voting on that matter.
- Hire an external legal advisor as an inspector to check the resolution and voting results.

After the Meeting Date

In 2018, the company had reported the resolution of the general meeting of shareholders to the Stock Exchange of Thailand within the next working day, the said resolution specifies the result of the vote in each agenda and submit the minutes of the shareholders' meeting which had specified the names of directors / executives attending the meeting and the results of the vote to agree, disagree or abstain in each agenda proposed for approval from the shareholders including important issues, shareholders' inquiries in each agenda and detailed explanations from the Board of Directors to the Stock Exchange of Thailand and relevant agencies within 14 days from the date of the shareholders' meeting along with disseminating various information related on the company website (www.boonterm.com)

Section 2

Equitable Treatment of Shareholders

Creating confidence for shareholders by ensuring that the Board of Directors and the management will control the use of shareholders' money appropriately, is an important factor for confidence in investing with the company. The Board of Directors should make sure that the shareholders be treated and protect their basic rights equally as follows:

A. The right to appoint other persons to attend the shareholders' meeting and vote on behalf of

In the event that any shareholders cannot attend the meeting in person, they can use the right to appoint a proxy or other independent director of the company who the company proposed to be a proxy to attend the meeting and vote on behalf of. The shareholder must submit the proxy form which has all details specified along with a copy of ID card or passport or other identification documents as prescribed back to the company before the meeting date. The company has sent the details of the proxy and the proxy form together with the invitation letter or shareholders can download the form from the company website (www.Boonterm.com).

B. The right to propose additional agenda

The company offers opportunity to shareholders to propose additional agenda items in addition to the agenda of the annual ordinary shareholders' meeting. Proposing additional agenda items can be done as follows:

- Deliver the proposal to be included as an additional agenda with reasons, details of facts and necessary information in the form of the agenda of the Annual General Meeting of Shareholders which can be downloaded from the company website (www.Boonterm.com)

- The company will check the shareholder' status of the person who want to add the agenda of the meeting with the shareholder register as at the closing date of the shareholders register book. The criteria for considering the matter that is proposed to be included as an additional agenda is that the matter must be related to the business operation or may have a significant impact on the operation of the company. If the Board of Directors has approved the proposed matter, the company will include it as a meeting agenda and stated that it was the agenda proposed by the shareholders, if not approved by the Board of Directors, the company will inform the shareholders via the company website (www.Boonterm.com).

C. The right to propose a person to be a director

Shareholders can nominate a person to be appointed as directors. The company reserves the right to consider only individuals who meet the criteria given as follows:

- Qualified and not prohibited by the Public Company law, Securities and Exchange Law, and good corporate governance of the company
- Have educational qualifications, working experience or other properties, which are in accordance with the requirement of the company
- Must devote sufficient time and fully dedicating their ability for the best benefit of the company which is considered a duty and ready to regularly attend the company meeting
- Not holding the position of director in more than 5 listed companies

The Board of Directors will consider selecting qualified candidates to propose to the shareholders' meeting to consider and vote. But if the meeting of the Board of Directors has not selected the candidates to be proposed to the shareholders' meeting, such nominees will be proposed to the shareholders' meeting for consideration apart

from the opinions of the Board of Directors to allow the meeting to pass the final resolution. The documents that the shareholders have to attach with in nominating the person to be in the position, namely (1) the nomination form for the position of director of the company (2) information of the nominee for the director with certificate or a confirmation letter from the securities company / agent which the owner of the information must sign and agree and send email or registered mail to the company within the time specified by the company

D. Prevention of the use of internal information

The company has a policy to limit the use of internal information to be in the management of the company from the middle to high level only within the department or company. For the audited financial statements will be stored at the accounting manager. Other confidential information will only be used for consultation with individuals at the manager level and above. The company has penalties for related persons if using internal information that causes damage. In addition, the company requires directors and executives to report their securities holdings to the Securities and Exchange Commission.

E. Supervision of Internal trading

The company has a policy not to allow employees, executives and people who know the internal operating results, the financial statements or other information that has an impact on the price of the company's securities to disclose to third parties or those who are not involved, and prohibiting the trading of securities during the 1 month period before financial statements or other information that affects the price of the company's securities to be made public. The company has penalties with related persons who use internal information to create price for the company's securities.

In addition, directors and executives must report changes in holding of the Company's securities and the future trading contract to the Office of the Securities and Exchange Commission under section 59 of the Securities and Exchange Act, B.E.2535 that defines the penalties Act and acknowledge the defined penalties according to the Securities and Exchange, B.E.2535, including changes to securities holding by the spouse or person living together as husband and wife and underage children. The directors and executives must submit copies of such report to the Company Secretary on the same day that the Company reported to the Office of Securities and Exchange Commission, which requires to be notified within 3 business days from the date of purchase, sale, transfer or acceptance of securities or futures contracts.

F. Investor Relations

The Company has an Investor Relations with a specific purpose in the responsibility of investor relations, by preparing the activity plan and disseminating the Company's information to shareholders, investors, securities analysts and the media in order to promote the image and reliability in the operation of the company which related parties can contact as follows:

Investor Relations

256 Phaholyothin Rd., Samsennai,
Phayathai, Bangkok 10400
Tel: 02-278-1777 Ext.1224
E-mail: investor@forthsmart.co.th

In addition, the company has set a period of time to stop communicating with analysts and investors (Quiet Period) in providing information about the company's performance which covers news and public disclosure of financial information to the executives and investor relations staff for 14 days in advance before the announcement of quarterly and annual results in order to avoid giving unfair information which may lead to the impact on the price of the company stock.

G. Principles for the Board

According to the principles of good corporate governance, the Board of Directors shall adopt the guidelines for the Board of Directors to be used for proper implementation and benefit to creating value for the company sustainably. The 8 practice guidelines for the board are as follows:

Code of Conduct 1	Recognize the role and responsibility of the Board as a leader that creates value for the business sustainably
Code of Conduct 2:	Define objectives, main goal of the business that are to achieve for sustainability
Code of Conduct 3	Strengthen the Board of Directors for effectiveness
Code of Conduct 4	Recruitment and development of senior management and personnel management
Code of Conduct 5	Promote innovation and responsible business operations
Code of Conduct 6	Ensure appropriate risk management systems and internal controls
Code of Conduct 7	Maintain financial credibility and disclosure.
Code of Conduct 8	Supporting participation and communication with shareholders

Section 3

Roles of Stakeholders

The Board of Directors should determine a policy to treat each group of stakeholders by taking into account the rights of such stakeholders according to the law or according to the agreement with the company. It should not take any actions that infringe the rights of those stakeholders and should define compensation measures for stakeholders who have in case that the stakeholders are damaged from such infringement, suffered damage from violations which is considered part of the Company's business ethics.

The company gives the rights and importance to stakeholders in all groups, including shareholders, employees, customers, competitors, business partners, creditors, society and the environment by focusing on treating various groups of stakeholders as follows:

Respect for laws and human rights principles

The company respects the law, culture, traditions and international human rights principles in every area of business without violating them and has been complying to them regularly. The directors, executives and employees of the company must respect the rights of all stakeholders equally without violating personal rights, including respect for honor and dignity with no discrimination in education, rank, race, nationality, religion and gender. Thus, in the year of 2018 the company had not got any complaints on the violation of the principles of human rights at all.

Shareholders

The company takes into account the interests of shareholders at the highest level by striving to operate the business for sustainable and stable growth as well as to increase competitiveness and risk management to add value to the company in the long term. The rights of shareholders are shown in Section 1.

Employees

The Company considers human resources as the most valuable asset who has a privacy right and the right to be protected from privacy violation including the right to be treated and given the opportunity equally. The company has given priority to the remuneration, welfare and safety of employees according to the following details.

Compensation of Employees

The Company is committed to fair compensation for employees along in accordance with the assigned duties and responsibilities. Compensation can compete with the labor market and the company does not provide any other benefits to employees and executives apart from salary, wages, bonuses, accident insurance, life insurance, provident fund, annual health check and contributions to the social security fund. Every year, employees will be entitled to receive special remuneration (bonuses) which are considered from the performance of employees and the profits of the company each year. In addition, employees have the right to receive remuneration that increases every year depending on the performance of employees according to key performance indicators (KPI) and business operational results. Business operations which are considered reasonably

Welfare of the employees

1. Accident insurance
2. Life insurance and health insurance
3. Provident Fund, Social Security Fund.
4. Financial aid in case of death of employee, father, mother, wife, son or daughter.
5. Uniform
6. Annual party, annual provincial tourism and annual sport event
7. Welfare loans, namely the housing loan

The average hour of employees' training per year

The Company has focused on developing the knowledge and potential of employees. In 2018, the company has trained 252 staffs of 10,888 hours in total or 43.21 hours per person averagely.

Safety policy for employees

The Company is committed to support of the safety management system, occupational health and the working environment, and has achieved the ongoing policy steadily with communication and public relations for employees, visitors, contractors and those involved as well as publicize them as follows:

1. Developing and implementing of the safety management system and occupational health and the working environment by encouraging employees to participate in the activities and work plan on the safety, occupational health and the working environment for safety and health of employees.
2. Operating business with compliance with regulations and laws of safety on occupational health and safety in the work environment
3. Providing for and encourage all employees to wear standard personal protective equipment appropriately for safety working practice.
4. Providing support on training, knowledge, information and news on safety, occupational health and working environment of all employees, as required for the safety working.
5. Supporting and promoting the activities on safety, occupational health and the working environment in order to reduce accidents and diseases from working.

In the year 2018, there was an accident that occurred from work without employee's taking leave.

Customers - Master Agent

The Company is committed to creating maximum satisfaction to the customers in the master agent group with the intention to have the customer satisfied appropriately by offering products and services of quality and providing fair service, including caring of the clients' information as confidential.

The company provides a sales team to give advice to customers who want to apply as a service representative of the company who will involve in advising and providing technical advice in case of problems on the site so that the service agent can fix the automatic payment machine quickly including allocating other relating support units by region in order to be able to service and take care of service representatives thoroughly and in time. The service units that deal with customers - service representatives have provided staff to provide advice and assistance during the 8:00 am - 9:00 pm for 7 days per week.

In addition, the company also encourages service agents to conduct business sustainably in the long run with regular training and organizing seminars for service representatives to enhance management capabilities and cooperation with banks to release credit lines to service agents including allocating appropriate and fair compensation.

Customers – End Users

The company considers the interests of customers as the main factor in providing accurate information based on truth and will not make customers misunderstand or received incomplete information. And most importantly, the company has a process of ensuring that the information is accurate, up-to-date and has strict customer data security to prevent damage or access to personal information of customers by unauthorized persons.

However, the company has taken into account the convenience in the use of the automatic payment kiosk of customers. When problems occur customers can contact the company for assistance request advice on using services such as mobile top-up, online game refills and other services on automatic payment machines by providing a Boonterm Call Center, number 1220, which facilitates and resolves problems for customers every day, 24 hours a day, including taking care of customers who use the service in a proactive manner by tracking and verifying transaction information. If encountering problems, the Call Center will coordinate to resolve problems for customers without having to wait to receive notification from customers.

In the year 2018, the company has measured customer satisfaction levels for the service through the customer service center, number 1220, representing an average score throughout the year equal to 95.52%.

Business Competitors

The company has a policy to conduct business fairly by not to misrepresent information, deceive or use any other methods that is not correct according to the competition. The company operates business and comply with the rules of good competition, do not seek confidential information of competitors by dishonest or inappropriate means, such as paying bribes to competitor's employees, including not competing with slandering, bullying or distorting facts of competitors.

In 2018, the company did not receive any complaints about unfair business practices.

Business Partners / Operators

The company adheres to honesty in complying with the conditions provided to all partners and operators under conditions, rules and laws prescribed in 2018. The company has negotiated with partners to provide new

services continuously and improve the service to be modern to facilitate and speed up in providing services to retail customers to be able to support existing customers as well as expanding the base of new customers continuously. The company also focuses on seeking new partners to add a variety of services for automatic payment and increase revenue for customers - service agents as well.

Business Partners – Suppliers

The company is committed to develop the process of procuring products and services to meet standards, develop and maintain a lasting relationship with partners and contractors with clear objectives on the quality of products and services. The company therefore provides the process of fair procuring products and services as follows:

- Select partners from price and quality and compete on the information received fairly and transparently
- In business negotiations, directors, executives and employees of the company must refrain from accepting money, gifts, assets or dishonest benefits from partners or contractors
- Payment to partners and contractors shall be on time according to the terms of payment agreed strictly
- Protect confidential information between suppliers and contractors
- Act with integrity, credibility and with legal notification related regulations and policies to acknowledge

In 2018, the company procured products and services that were fair to partners - suppliers according to the policies laid down.

Loan payable

The company strictly complied with the loan agreement by repaying the loan according to the schedule and cooperated with financial institutions in disclosing financial reports and other information as needed correctly and completely as well as took care of the collaterals and cooperated in solving problems together in the case of failure to comply with the contract conditions. However, in 2018, the company could repay the loan in accordance with the agreed repayment conditions.

State Agencies

The Company has been adhering to and is ready to comply with the supervision and punishment according to law, regulations and standards of practice of the authorities of the State.

Prevention of intellectual property or copyright infringement

The Company has established policies and guidelines for the prevention of intellectual property or copyright violations by announcing in the code of conduct for directors, executives and employees to adhere to treat stakeholders with equality and fairness. In this regard, directors, executives and employees must work using computer software that is copyrighted correctly. It is strictly prohibited to install and use computer software that is illegally copyrighted in the company.

Environmental measures and efficient use of resources

The company has established policies and guidelines on environmental care by complying with the law regulations and requirements the company involved as well as taking into account the environment and operations that may affect the environment and nearby communities including the efficient use of resources in accordance with

the environmental policies laid down, such as the proper temperature control of air-conditioning in the office, closing the air conditioner and turning off the lights during the lunch break, changing office lighting bulbs into LED bulbs throughout the office, turning on the specific light that you want to use, walking up the stairs instead of using the elevator, the use of one page of paper used to reuse it for more benefits. In addition, the company is in the process of reviewing and implementing training courses on environmental measures, including the efficient use of resources to educate and implant awareness of environmental responsibility to employees.

Policy and practice about environment and effective use of resources

The Company has concerned about environments and activities having the impact on environment or nearby communities. Therefore, the Company has the policy in using resources effectively and has determined the guideline in energy saving and reuse of resources like setting appropriate temperature for air conditioning system, turning off air conditioning system and lighting system during lunch break, using LED for lighting system, turning on lights only in usage areas, using stairs instead of elevators, reusing of printing papers, etc.

Corporate social responsibility

In addition to being an operator of electronic payment services via automatic payment kiosk, the company also gives priority to operating with social and environmental responsibility to create sustainability for the country's economic and social systems. The company providing social responsibility activities as detailed in the topic "Corporate Social Responsibility"

Stakeholder complaint mechanism in case of infringement

The company has a channel to receive complaints from various stakeholders in case of infringement. The complaint can be submitted in writing and contains sufficient information including name-surname and the address that the company can conveniently contacted to the complainer who makes the complaint through the channel specified by the company. The company Secretary will send complaints to the Board of Directors, Audit Committee or the executive to verify and resolve as the case may be. The channels for receiving complaints of the company

- 1) In the case of complaints about issues that may cause damage to the company, sent them directly to the Audit Committee. The Audit Committee will conduct an investigation and report to the Board of Directors

Chairman of the Audit Committee

Internal Auditor

Forth Smart Service Public Limited Company

256 Phaholyothin Rd., Samsaennai, Phayathai, Bangkok 10400

Tel. 02-2781777

- 2) In the case of complaints from shareholders, they will be forwarded to the Audit Committee and / or the Board of Directors. In this case, the shareholder may contact the Chairman of the Audit Committee directly or according to the company address specified.

Chairman of the Audit Committee/Chairman of the Board of Directors

Forth Smart Service Public Limited Company

256 Phaholyothin Rd., Samsaennai, Phayathai, Bangkok 10400

Tel. 02-2781777

- 3) In the case of complaints of customers, business partner, general people, they may be sent to the management team to find a solution and report to the Board of Directors for acknowledgment.

- 4) In the case of complaints from creditors, they will be sent to the management team or the management may consider submitting such complaints to the Board of Directors for further consideration.

Company Secretary

Forth Smart Service Public Limited Company

256 Phaholyothin Rd., Samsaennai, Phayathai, Bangkok 10400

Tel. 02-2781777

In addition, the company has added channels to receive complaints through the company's website, (www.boonterm.com), in the "Contact Us" menu and go to the section of "Contact / Receive Complaint Form", it will be a channel that can receive notification of problems or complaints from users or stakeholders of the company directly.

In 2018, no clues were reported nor complaints relating to illegal acts nor code of conduct for infringement from stakeholders to such channels.

Process to deal with employees' complain about an offense

The company has established guidelines for managing complaints, that have been received including clues, which has been announced in the business ethics of the company with the following steps:

1. Collecting facts
2. Processing and screening data
3. Establishing measures to take action
4. Reporting results

Rights or protection of those who complain or report clues

The company has established policies, rights or protection for those who complain or report clues in the business ethics of the company. The company will listen to all complaints equally, transparently and attentively including giving fairness to all parties. The company determine the duration of the investigation appropriately and the name of the complainer will be kept as confidential. The complainer will be protected from bullying both during the investigation and after the investigation.

Section 4

Disclosure and Transparency

The Company has a policy to disclose information and information accurately, completely and in a timely manner so that various stakeholders can receive information that shows the results of operations, financial status and other information. The interested parties can access various information of the company including financial statements, annual reports, performance in the past year of the Board of Directors and sub-committees, Corporate Governance Policy, Environmental and social care policy and compliance with such policies, etc. The Company will regularly update various information.

During the year, the company provides opportunities for groups or groups of individuals such as shareholders, journalists, financial institutions, customers and educational institutions etc. to visit the company. In addition, recognizing the importance of information to investors and stakeholders thus, the company had disclosed information according to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission in the annual report and the invitation letter to the shareholders' meeting about the roles and duties of the Board of Directors and the Audit Committee, number of meetings and the number of directors attending the board meeting in the past year as well as comments while performing duties of the Audit Committee and the company had presented the report on the responsibility of the Board of Directors to the financial report together with the auditor's report.

Meeting with investors

The Board of Directors has set up a unit or responsible person for work related to "Investor Relations" to communicate with outsiders such as shareholders, institutional investors, general investor, analysts and relevant agencies equally and fairly by providing the opportunity for them to meet the management of the Company, as appropriate under the criteria that the information provided is information that has been disclosed to the public.

In the year 2018 there were shareholders, institutional investors, general investors and analysts visited the company (Company visit / Conference call) for a total of 21 times, and the Company participated in the Opportunity Day for 4 times.

Section 5

Responsibilities of the Board of Directors

Board Structure

The Board of Directors as at 31 December 2018 consists of independent directors, executive directors and non-executive directors who are of knowledgeable ability and experience in financial, accounting, management and other area that are beneficial to the company. They are appointed by considering the Board Diversity, consisting of a total of 9 persons, 4 of which are independent directors, representing 44.44 percent of all directors to counterbalance the board. The qualifications of independent directors are equal to the criteria set by the Securities and Exchange Commission. The Independent Directors' qualifications, names and scope of authority of the Board of Directors including the nomination of directors is shown in the section "Management Structure"

The company has a policy to determine the number of companies that each director can hold a position in, with each director being able to hold a position in not more than 5 listed companies. However, the company has not determined the number of terms of office the directors but has adhered to the knowledge and ability to be a director of the company

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

In the year 2018, the Board of Directors convened a total of 7 times with schedules in advance and the Board of Directors received meeting documents not less than 5 working days in advance. Details of attendance of each director are shown in the topic "Management Structure".

Sub-Committees

The structure of the Board of Directors consists of 5 sub-committees, namely the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Purchasing committee. The qualifications, obligation and responsibilities of the 5 committees are disclosed in the topic "Management Structure".

Business ethics

The Board of Directors encourages the establishment of business ethics in order to operate ethically, respect the rights and treat stakeholders with equality and fairness that can be checked. Directors, executives and employees have adhered to practice by considering them as a burden and responsibility in general for the maximum benefit of the stakeholders of the company as well as creating credibility in the business that will help the company grow sustainably.

Risk Management Policy

The Board of Directors appoints the Risk Management Committee in order to operate with a risk management system for effective business operations in accordance with the framework of the Laws on electronic transactions of the Bank of Thailand, laws relating to the prevention and suppression of money laundering and financial support for terrorism and weapons of mass destruction, matters relating to risk management in business operations in accordance with the scope of relevant laws. The company also set up a risk management policy that covers the entire organization starting from the risk analysis process, risk identification, risk assessment, Risk management, Risk monitoring and control, as well as creating standards and criteria for appropriate risk indicators in order to achieve an efficient and consistent risk management process.

Guidelines for determining remuneration of Directors and senior executives

Remuneration for directors is determined by duties and responsibilities of directors including the performance of the directors and the operating results of the company in accordance with the compensation rate in the market or industry. Directors' remuneration is approved by the Nomination and Remuneration Committee and presented to the Board of Directors to consider before presenting to the shareholders' meeting for approval.

Remuneration for senior management is determined in accordance with the principles and policies set by the Nomination and Remuneration Committee. The determination of such remuneration is at an appropriate level comparable to the same industry by taking into account the obligations responsibility which is linked to the performance of the company and the performance of each senior executive in order to be able to attract and maintain qualified personnel. Annual remuneration and bonuses for senior management will be considered by certain criteria by the operating results of the company, overall economic conditions and the performance of each senior executive.

Term of office

In the period of 1 year, one-third of the company's directors or close to the number of one-third must be removed from the position. The director who vacates his office may be re-elected for another term. The term will start from the appointment date until the annual general meeting of shareholders.

Self-evaluation of the Board of Directors

The Board of Directors has to conduct an overall self-evaluation not less than 1 time per year in order for the Board of Directors to jointly consider the work and problems for improvement and increase the efficiency of the Directors' work together.

In the year 2018, the performance evaluations for the committees were done in form of committee, individual director and sub-committee. The company secretary will send the evaluation form to all directors to evaluate themselves and when the committee evaluation has completed, the evaluation form will be returned to the company secretary to record scores and summarize the analysis of the performance of each committee and report to the Board of Directors for consideration at the Board of Directors' meeting 2 on 14 February 2019.

Criteria for evaluating the performance of the Board and all sub-committees covers the items as follows:

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

Criteria for evaluating the performance of individual committee covers the following key items:

- 1) The qualifications of the Board of Directors
- 2) The Board of Directors' meetings
- 2) Roles, duties and responsibilities of the Board of Directors

Development of Directors and Executives

The Board of Directors requires to organize the orientation for new directors in order that they have knowledge and understanding of the business of the company and related regulations. In addition, the Board of Directors has a policy to encourage all directors, senior executives including the company secretary need to continue to receive training on good corporate governance of the company both internal training and participation in training with other external institutions such as the Stock Exchange of Thailand, Securities and Exchange Commission or Thai Institute of Directors (IOD), etc.

In 2018 the Board of Directors has encouraged directors and senior management to attend training and participate in seminars to increase knowledge in continuous operation as follows.

- On 20 August 2018, Mr. Narongsak Lertsapthawee, Managing Director / Executive Director attended the Director Accreditation Program - DAP 151/2018 organized by the Thai Institute of Directors Association
- On 4-5 September 2018, Ms. Roongrawee Bangkun, Company Secretary Attended the Company Secretary Program - CSP 91/2018 organized by the Thai Institute of Directors Association
- On 27-28 September 2018, Ms. Roongrawee Bangkun, Senior Finance Manager, attended the training program on "CVC, New Investment Strategy, Spark Innovation, Keep Up with the Business World" organized by the Market Knowledge Development Center Capital, the Stock Exchange of Thailand

Succession Plan

The Board of Directors sets policies and criteria for selecting executives and policy of succession in the case of emergency or retirement of executives with a transparent process which will consider from knowledge and ability including experience and ethics.

Orientation for new directors

For new directors and executives, the company provides basic information about the company, such as organizational structure and management, nature of business, products and services, performance, company regulations and laws related to the company including the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand so that such directors can understand the nature of the business and the operation of the company as well as to acknowledge the roles, duties and responsibilities of being a director or independent directors.

Self-meeting between non-executive directors

The company arranges meetings for non-executive directors to meet with each other as appropriate to allow the non-executive directors to discuss various problems that occur in the company and offer suggestions that should be taken into consideration for the development of the business of the company.

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

Item of no compliance	Reasons
Requiring the directors or senior executives to report to the Board of Directors or the person entrusted with the purchase, sell shares of the company at least 1 day in advance before trading.	The Board of Directors has set up measures to prevent the abuse of inside information by related parties including spouses and underage children. It is prohibited to use information that has not been disclosed to the public for use in the transaction or for personal benefits that may cause conflict of interest. The Board of Directors consider such action as a serious offense and define it in the the business ethics of the company

Change of Shareholding of the Board of Directors and Executives

Name	Position	Number of share (shares)		Increase (Decrease)
		As of 20 December 2017	As of 28 December 2018	
Mr. Pichit Nimkul	Chairman of the Board of Directors	4,460,010	4,460,010	-
Mr. Damrong Kaewprasit	Director Independent Director Chairman of Audit Committee Chairman of Risk Management Committee	-	-	-
Mr. Boonchai Sowanwanichakul	Director Independent Director Audit Committee Risk Management Committee	-	-	-
Admiral Kraisor Chansuvanich	Director Independent Director Audit Committee Chairman of Nomination and Remuneration Committee	-	-	-
Pol.Lt.Gen Boriham Siang-arom	Director Nomination and Remuneration Committee Chief Executive Officer	-	-	-
Mr. Pongchai Amatanon ¹	Director Nomination and Remuneration Committee Chief Executive Officer	40,083,600	40,583,600	500,000
Mrs. Rangsee Lerttripinyo	Director Executive Director	5,891,750	5,891,750	-
Mr. Siwaphant Ratanavirojwong	Director Risk Management Committee	12,000,000	12,000,000	-
Mr. Narongsak Lertsuptavee	Director Risk Management Committee Nomination and Remuneration Committee Executive Director Managing Director Finance Director	-	-	-
Ms. Rasinee Lerttripinyo	Executive Director Sales and Marketing Director	655,400	655,400	-
Mr. Sarawut Pacharoen	Senior Agent Service Manager	-	-	-
Ms. Rungrawee Bangkul	Senior Finance Manager Company Secretary	-	-	-

Note: ¹ Mr. Pongchai Amatanon includes spouse and immature children.

Prevention against Corruption Involvement

Anti-corruption and fraud Policy

The Board recognizes that conducting business with morality and ideology of anti-corruption and fraud in all forms is an important basis which will lead to the success of business operations and strengthen the organization to grow sustainably. Therefore, in order to show the firm determination of the company to conduct business that does not involve corruption and fraud, the Board of Directors therefore resolved to set up a policy to combat corruption and fraud by defining duties, responsibilities, guidelines and requirements for appropriate actions and the company has developed the "Anti-corruption and fraud Policy" in writing and there is a clarification of understanding including communicating the standards of conduct for all directors, executives, staffs and employees of the company for clear guidance. In addition, in order for the anti-corruption and fraud policies to be implemented and in accordance with business changes, regulations and legal requirements, the Board will monitor and review the appropriateness of the policy by assigning the Company Secretary to report the follow-up results and the results of the assessment of the appropriateness of the policy at least once a year.

Directors, executives, employees and employees of the company are prohibited to take any actions that is related to corruption and fraud. Conducting or accepting corruption in all forms for direct or indirect benefits to oneself, family, friends and acquaintances covering all businesses in all categories and all related agencies regardless whether he is a recipient, a grantor or an offeror.

Risk Assessment

In 2018, the Risk Management Committee assessed the risk of corruption and fraud that may occur by assessing the risk of fraud and corruption included in the topic of financial risk and had the risk reported to the Board of Directors on a quarterly basis with the Corporate Governance and Risk Management unit acting to supervise compliance with rules and regulations according to the risk assessment report of the company.

Training and communication

In 2018, the company announced and communicated anti-corruption and fraud policies to employees at all levels including other policies through the internal news board and the company website including had each department manager communicate with employees as well.

However, the company has assigned the staff of the Corporate Governance and Risk Management Department providing knowledge about guidelines on anti-corruption and fraud in organizing training for all employees in the company continuously and consistently.

Guidelines for supervision and control to prevent and monitor fraud risks

The Company has established a guideline for supervision and control to prevent and monitor the risk of fraud and corruption covering the personnel management process ranging from recruiting or selecting personnel, promotion, training, evaluation of employee performance and reward by requiring supervisors at all levels to communicate for understanding with employees to use in business activities that are in their responsibility and supervise the operations to be effective which can be summarized as follows:

1. The Board of Directors, executives, staffs and all employees of the company must comply with anti-corruption and fraud policies and must not be directly or indirectly involved with the corruption and fraud.
2. Staffs should not put aside or ignore when witnessing actions that are subject to corruption and / or fraud related to the company and must notify the supervisor or the person responsible and cooperate in the investigation.
3. The company will provide fairness and protect employees who refuse or report fraud and corruption related to the company by using measures to protect complainants or those who cooperate in reporting fraud and corruption.
4. Persons who commit corruption and fraud must be considered disciplinary according to the regulations set by the company. In addition, he/she may be punished according to law. if the action is illegal.
5. Employees must be aware of the importance of disseminating knowledge and making it clear with others who must perform duties related to the company to allow personnel and related persons to comply with the anti-corruption policy.
6. The company is committed to creating, cultivating and maintaining an organizational culture that adheres to corruption and fraud is unacceptable.

Guidelines for monitoring and evaluating the implementation of guidelines for prevention of corruption and fraud

The company has determined a guideline for monitoring and evaluating the complying with the guidelines for preventing corruption and fraud as follows:

1. Determining the evaluation of employee performance on regularly compliance with good corporate governance policies and established business ethics.
2. Providing auditors for internal control system to perform duty as an audit of the internal control system, Risk management, Governance and give continuous feedback by conducting an audit according to the annual audit plan approved by the Audit Committee and report significant audit results and recommendations to the Audit Committee.
3. Determining the Risk Management Committee to be responsible for testing and evaluating risks from corruption and fraud continuously in order to effectively implement the anti-corruption and anti-fraud measures, as well as regularly follow up, review and revise anti-corruption measures and present the assessment results to the Risk Management Committee and report to the Board of Directors respectively in a timely and consistent manner.
4. If the investigation is found that information from investigations or complaints, with reasonable evidence to believe that there is a transaction or action that may have a significant impact on the financial position. and the operating results of the company including violations of the law or business ethics of the company or guidelines for preventing involvement in corruption and fraud or doubts. The Audit Committee will report to the Board of Directors in order to proceed with rectification within the time that the Audit Committee deems appropriate.

The Internal Control System and Risk Management

The Board of Directors believed that the appropriate management structure would help impelling the Company toward goals with maximum efficiency and effectiveness. At present, the Company aims at implementing a good and efficient management with major sections linked together, in terms of both Governance, Internal Controls, Risk Management and compliance with relevant regulations.

The Board of Directors has stressed on the importance of the Internal Control System, therefore, has steadily developed an efficient and effective system of internal control in order that the shareholders are confident in the Company's internal control system that our operation system is correct, transparent, accountable and can reduce or prevent damage that may occur by the Board of Directors' appointing of the Audit Committee consisting of 3 independent directors whose qualifications meet the requirements and regulations of the Office of the Securities and Exchange Commission. The Audit Committee conducts duties to the extent delegated by the Board of Directors on the Audit Committee Charter reviewed both financial and operational performance for the Company has a system of internal control and the internal audit systems that are appropriate and effective internal control system in accordance with the Securities and Exchange Act and the laws related to the Company's business.

The Board of Directors has resolved to appoint the Risk Management Committee for 4 members comprising of one independent director as the Chairman of Risk Management Committee and other 3 directors as Risk Management Committee and the Risk Committee has resolved to establish a working team for the risk management to analyze, assess, and perform risk management in the operation of the company. The working team has to arrange a quarterly meeting to report the progress of risk assessment and risk management as well as has to report to the Risk Management Committee on quarterly basis so that the Risk Management Committee will further report to the Board of Directors.

Company Risk Management Committee with the independent department and 2 members of the Audit Committee, who are the Chairman of the Risk Management Committee and the Board of Directors together in the meeting are to provide an opinion on the adequacy and appropriateness of the internal control system for the year 2018 with reference to the "Assessment Form for Adequacy of Internal Control System" of the Securities and Exchange Commission.

In conclusion, from the opinion of the Audit Committee and from questioning the management, the Board of Directors has agreed in the opinion that there are no significant flaws found. The Company's internal control systems are adequate and appropriate for the efficiency and effectiveness of the business, the use of resources, property maintenance prevention or reduction the mistakes. System for accounting and financial reporting is accurate, reliable and compliable with the law, regulations related to the business operations of the Company including all units comply with procedures and regulations that are defined. The operations and management of the Company adhere to internal control practices, which are based on international standards of the Committee of Sponsoring Organizations of the Tread way Commission (COSO), of which consists of 5 elements summarized as follows:

1. Organizational Control and Environment Measure

The Company has set goals and business plans clearly of which can be measured by the performance indicator defined for guidance of employees' performance in all sections to achieve an effect based on the goal, and the Company has a monitoring and evaluation consistently by setting the operational targets which are executed carefully and has also considered the feasibility of a target as well as an analysis of the incentives or rewards to employees as reasonably as it should be without any motivation or provision of benefits that is beyond the appropriateness to employees in a manner that may lead to action fraud or misconduct.

The Company has established an organizational structure and chain of command that suit overall organizational management and segregating of duties and responsibilities clearly and in accordance with the business operations to enhance flexibility in work practices under the appropriate internal control system.

The Company has prepared a written code of conduct of the employees and publicized to all employees to acknowledge and comply. In case of any violation, penalties shall be executed according to the disciplinary rules and regulations regarding the operation of the company.

The Company has assigned policies and written operating procedure in financial transactions and procurement that can be mutually monitor with a strong control to prevent fraud.

The Company focuses its business based on the fairness to its business partners, which is the practice as approved by the Board of Directors due to the corporate governance which has been consistently implemented.

The company has established written policies and guidelines on environmental care for all employees to acknowledge and be aware of environmental responsibility together under the principles of good corporate governance

2. Risk Management Measure

The Company has given priority to the risk management by establishing the Risk Management Committee of which obligation is to require all departments to assess both internal and external risk factors that affected directly and indirectly to the Company, including set up risk management measure to lower the risk to an acceptable level by managing the risk challenges quickly and efficiently. Thus, the Company has held risk management meetings monthly, and meetings of the Risk Management Committee every quarter. Every quarter reports on the performance of the Risk Management Committee will be submitted to the Board of Directors. The meeting has discussed the results of the operation, which may be risk factors that affect the Company, and the proposal of measures to prevent or decrease the risk associated with the major agenda and to report the progress of performance by the person of responsibility continuously.

All this, executives and managers in each relevant segment will need to notify or apply the policy to communicate with the employees in their chain of command to acknowledge and adhere to the risk management measures.

Additionally, the internal audit unit has monitoring the result of compliance with the enterprise risk management plan, which is based on risk reduction measures to ensure that the company's risk levels are acceptable and manageable.

3. Management Control Activities

The Company has clear and appropriate activities of the internal control with the performance index as a tool for planning and controlling, code of conduct including corporate governance policies for employees to practice. The Company has also set clear written scope of authority and financial limit of the Board of Directors and the management.

The Company has definitely segregated duties and responsibilities in approving the accounting from the maintaining assets for mutual checking. The approval shall follow the Manual of Approval Authority. The accounting entry will be assigned to the Accounting Department and maintaining the assets to is the duty of the user to operate

according to the Guide for Practicing on the managing, controlling, and saving the transaction by the Account Department.

The Company has designated policies in transactions with major shareholders, director, executives or those associated with such a person (transaction); which covers the case that the involved person leads the opportunity or benefit of the Company to use for private benefits. Such related transactions must be proposed at the meeting of the Board of Directors and or the Audit Committee to consider about necessity and reasonability in the acquisition. The directors who have interest in the transaction will have no part in the consideration and approval or comment or vote on the transaction with potential conflicts of interest. In addition, the Company has also clearly stated in the Code of Conduct relating to transactions that they must take into account the best interests of the Company and act as it is a transaction with a third party on arms' length basis and provide a written declaration to ensure all employees acknowledge and abide.

In the case that there is related transactions that are binding on the Company in the long term, the Company will assign the Finance and Accounting Department keep track of contractors whether they have complied with the conditions throughout the period of the binding with the Company. When there is a significant situation, they will report to the Audit Committee and/or the Board of Directors.

The Company has consistently supervised the operation in according to the relevant laws through the Audit Committee, which acts as a reviewer of the performance of the Company in accordance with the regulations and laws in order to maintain the reputation and build trust in business.

4. Information Technology and Communication Measure

Every of proposing agenda to the meeting of the Board of Directors for consideration, the Company will prepare adequate related information for the decision making and deliver an invitation letter of the meeting prior to the meeting date averagely not less than 7 days.

The Company has designated the Company Secretary to be responsible for preparing the, notes, minutes by providing important and complete details such as the date and time of the meeting, attendees, resolution of all agenda of the meeting etc. of which shareholders can use to determine the suitability of the duties of Directors.

The accounting document of the Company is entirety stored and official categorized and never receiving notification on deficiencies in the collection of accounting literature from the Auditor since the Company has adhered to the account policies according to generally accepted accounting principles and the nature of its business.

For this, the Company concentrates on information technology and internal communications by providing the notice information to all the employees steadily and disseminating information through the company's website www.Boonterm.com for shareholders, business partners and the general public can obtain information at any time including the disclosure of information through the Stock Exchange of Thailand. In addition, the Company has provided audit of the information system at least once a year in accordance with the policy and measures to maintain stable security information system according to the Bank of Thailand and the relevant laws.

5. Monitoring

The Company has held monthly meetings of the management and the Board of Directors at least once a quarter to the follow-up operation steadily by the performance indicator defined to see if it is as planned or not as well as sharing the analysis of causes and solutions to the problem in the case where the results of the operation are

not as planned and the Company is to review and update the target according to the changing situation by proposing ways to fix the problem to prevent recurring.

The Company has set up monitoring on the compliance with the internal control system designated consistently. The Company has employed Manager of Internal Audit of Forth Corporation Public Company Limited, to perform duties as the internal auditor independent on reviewing and auditing the compliance with the internal control system, with an emphasis on monitoring to cover the working process with significant risk. Issues that are detected will be reported on the adequacy of the internal control system, and the results of progress in improving the defects directly to the Audit Committee on a quarterly basis. On this case, if a fault is detected, the Internal Auditor shall report the results of auditing to the management and/or related persons to be informed every time of auditing attendance and report to the Audit Committee at least once a quarter at the meeting. The Audit Committee, management and/or related person will report the progress in improving shortcomings to the Board of Directors.

Apart from all these, in 2018, the Company has hired the KPMG Phoomchai Audit Company Ltd., to perform duties as auditor to audit the system of information technology that supports the service on electronic payment of the year of 2018 by reporting to associated executives to be informed including reporting the progress in solving the shortcomings to the Audit Committee at least once a year at the meeting of the Audit Committee and the Board of Directors.

The Company's management has obligation to report to the Board of Directors as soon as the fraud happens or suspected to happen including matters that has been decided to take action which have or may have an impact on the reputation and financial position of the Company significantly.

Corporate Social Responsibility

The company has defined guidelines to show social responsibility including good corporate governance, fair business operation, respect for human rights, the fair treatment of the employees, and responsibility for consumers, participation in community or social development and caring for the environmental.

Good Corporate Governance

The Company will provide a management system of efficiency and transparency which will enhance trust and confidence of shareholders, investors, stakeholders and all those related in order to contribute to sustainable growth of the business.

Fair Business Operation

The Company concentrates on fair business operation under the good governance practices by respecting the rules and regulations of the society, fair trade competition, respecting the right in property in compliance with the relevant laws.

Respect for Human Rights

The Company gives priority to respect for human rights and fundamental freedoms and to treat all employees equally and fairly with no discrimination of gender and class as well as not use child labor.

The Fair Treatment of Employees

The Company takes into account the social protection of the labors on the basis of occupational health and safety in the work required by the law, as well as to create ties between employees and the organization by fair human resources management in compensation, welfare and progress in their careers, including promoting social activities within and outside the organization.

Responsibility for Consumers

The Company is committed to fair marketing practices by responding to needs and satisfaction of customers as well as managing of customer complaints, suggestions on consuming of products and services to achieve maximum satisfaction and maintain lasting relationships.

Participation in Social and Community Development

The Company supports public benefit activities for communities as well as encouraging employees to volunteer and participate in social and community development activities.

Caring for the Environment

The Company is committed to efficient environmental management according to the standard practices and abides strictly to prevent and reduce environmental problems, including participating with other sectors of the society in activities to maintain and improve environmental quality.

For this, the Activities for Corporate Social Responsibility that the company has performed in the year of 2018 was presented in the topic "Corporate Social Responsibility".

Transactions with persons subject to conflict of interest occurring in the accounting period of 2016 ending on 31 December 2016, the accounting period of 2017 ending on 31 December 2017, and the accounting period of 2018 ending on 31 December 2018

Related party transactions and conflict of interest	Features of transactions	Transaction value (Million Baht)			Necessity and rationality
		12-month period, year 2016 at 31 december	12-month period, year 2017 at 31 december	12-month period, year 2018 at 31 december	
1. FORTH Corporation Public Company Limited (FORTH) as the major shareholder of the Company	<ul style="list-style-type: none"> - The Company purchases the online top-up machines (Boontorn Kiosk, Counter Service machine, RO machine, etc.) from FORTH. 	819.19	971.81	16.20	<p>FORTH is the Company with expertise in electronics and telecommunications in full range. The Company has research and development team with long experience as well as having manufacturing facilities with quality control systems and modern machinery. The capacity for high volume purchase orders can be increased. Here are three main reasons why the Company chooses FORTH:</p> <ol style="list-style-type: none"> 1. The research and development team is working continuously to develop the product as well as transferring the Know-How both in Hardware and Software. 2. The quality of products is standardized and has the warranty on the damages of products according to the defined conditions. 3. The price is cheaper than other manufacturers when compared to the same quality level. As the order volume is high, the Company has bargaining power and thus lower cost. <p>For this, the Company uses the cost-plus pricing strategy to determine the purchase price of online top-up machine from FORTH. The Company has considered and compared that the purchase price of online top-up machines from FORTH is lower than the market price generally available and the price is reasonable. (According to the market price of similar top-up machines, the price of online top-up machine which accepts coins and banknotes and has touch screen feature such as top-up machines, RO machines, gasoline vending machines is in the range of 27,000-65,000 Baht which is higher than the price that the Company bought from FORTH.)</p>
	<ul style="list-style-type: none"> - The Company hires FORTH to transport the online top-up machines and spare parts for the Company. 	63.77	90.34	70.10	

Transactions with persons subject to conflict of interest occurring in the accounting period of 2016 ending on 31 December 2016, the accounting period of 2017 ending on 31 December 2017, and the accounting period of 2018 ending on 31 December 2018

Related party transactions and conflict of interest	Features of transactions	Transaction value (Million Baht)			Necessity and rationality
		12-month period, year 2016 at 31 december 2016	12-month period, year 2017 at 31 december 2017	12-month period, year 2018 at 31 december 2018	
1. FORTH Corporation Public Company Limited (FORTH) as the major shareholder of the Company (continue)	- The Company has the accounts payable / other payables at the ending date of the accounting period.	9.31	19.11	9.71	1. The cost of purchase price from FORTH is cheaper than other manufacturers because of small order and Economies of Scale. Therefore, there is no bargaining power with other manufacturers. 2. The Company can save personnel costs related to purchasing, warehouse and quality control. However, the Company has increased purchase orders directly from other manufacturers and negotiated with the manufacturers to get the same purchase price as FORTH. The Company also manages cost for increasing efficiency and effectiveness following the increasing number of online top-up machines and top-up amount.
	- The Company hires FORTH to transport the online top-up machines and spare parts for the Company.	1.69	0.86	0.09	The Company hires FORTH to transport the online top-up machines due to the following reasons 1. FORTH has standardized and reliable transportation system
	- The Company has the accounts payable / other payables at the ending date of the accounting period.	0.77	0.06	-	2. Transportation cost does not differ from other transporting companies. 3. FORTH is able to support the urgent case as the online top-up machines is produced by FORTH.
	- The Company purchases the computer equipment/office supplies from FORTH.	18.65	1.74	0.02	However, the Company has reduced the proportion of hiring FORTH to transport the online top-up machines and use only in urgent cases. As FORTH is the Company with expertise in telecommunications including being the leader in telephone network system of the country (under FORTH trademark) being the major service provision of more than 1 million lines. From this reason, the Company purchases the products from FORTH with the cost price plus a profit margin. The prices are reasonable for normal business.
	- The Company has the accounts payable / other payables at the ending date of the accounting period.	-	-	0.01	The Company pays for the inspection on the internal control system to FORTH. Such transactions are normal transactions and occur as necessary. The service rate is charged according to the market price.
	- The Company has the accounts payable / other payables at the ending date of the accounting period.	1.20	0.48	0.90	
		0.53	0.26	-	

Transactions with persons subject to conflict of interest occurring in the accounting period of 2016 ending on 31 December 2016, the accounting period of 2017 ending on 31 December 2017, and the accounting period of 2018 ending on 31 December 2018

Related party transactions and conflict of interest	Features of transactions	Transaction value (Million Baht)			Necessity and rationality
		12-month period, year 2016 at 31 december 2016	12-month period, year 2017 at 31 december 2017	12-month period, year 2018 at 31 december 2018	
1. FORTH Corporation Public Company Limited (FORTH) as the major shareholder of the Company (continue)	<ul style="list-style-type: none"> - The Company pays rental cost of building to FORTH to be used as the location of the head office of the Company and pay for the facilities in connection with the rent of place from FORTH. 	8.75	17.81	18.37	<p>The Company has leased the commercial building located at No. 256 from FORTH to serve the growth of Company's business. The rent of such building is the normal transaction and typically occurs as necessary. The rental rate per square meter does not differ from the price of renting commercial building from third parties in the same neighborhood.</p> <p>The leasing agreement and service agreement were divided into 2 agreements with the term of 4 months starting from 1 December 2016 to 31 March 2017 and with the term of 2 years and 8 months starting from 1 April 2017 to 30 November 2019.</p>
	<ul style="list-style-type: none"> - The Company has the accounts payable / other payables at the ending date of the accounting period. 	4.58	3.06	1.75	
	<ul style="list-style-type: none"> - The Company pays the charges for water supply/electricity/central charges. 	-	1.82	1.82	
	<ul style="list-style-type: none"> - The Company has the accounts payable / other payables at the ending date of the accounting period. 	-	0.08	0.13	
2. Electronic Sources Company Limited as the subsidiary of FORTH	<ul style="list-style-type: none"> - The Company sold the automatic paying machine (Boonterm top-up kiosk) to FORTH. - The Company had trade accounts receivable / other receivables from such transactions at the accounting period. 	-	-	5.20	<p>Selling the kiosks of the Philippines project back to FORTH with trade transactions which are of reasonable and suitable commercial conditions.</p>
	<ul style="list-style-type: none"> - The Company has paid commissions to Electronic Sources Company Limited as the Master Agent of the Company. 	0.01	0.01	0.01	
	<ul style="list-style-type: none"> - The Company has accrued commission payable from such list at the ending date of the accounting period. - The Company purchases equipment and electronic parts to repair top-up machines from Electronic Sources Company Limited. 	0.00	-	-	
		28.23	72.63	47.10	<p>In purchasing the equipment and electronic components, Electronic Sources Company Limited is the Company with expertise in sourcing and purchasing parts and electronic equipment both from domestic and abroad as well as distributing the equipment and the supply parts and electronic equipment of Boonterm top-up machines for FORTH.</p>

Transactions with persons subject to conflict of interest occurring in the accounting period of 2016 ending on 31 December 2016, the accounting period of 2017 ending on 31 December 2017, and the accounting period of 2018 ending on 31 December 2018

Related party transactions and conflict of interest	Features of transactions	Transaction value (Million Baht)			Necessity and rationality
		12-month period, year 2016 at 31 december 2016	12-month period, year 2017 at 31 december 2017	12-month period, year 2018 at 31 december 2018	
2. Electronic Sources Company Limited as the subsidiary of FORTH (continue)	<ul style="list-style-type: none"> The Company has the accounts payable / other payables at the ending date of the accounting period. The Company has the warranty money (other current liabilities) in this accounting period. The Company also has income from the warranty money collected from this representative as the security deposit for the top-up machines and the fines for managing the top-up machines. 	4.21	13.24	7.61	The Company receives income from the warranty money collected following the contract of master agent as safe burglary coverage and/or damage of machines. Such transaction is normal transaction and occurs following the reasonable necessity.
		0.01	0.01	0.01	
		0.00	-	-	
3. Genius Traffic System Co., Ltd. as a subsidiary of FORTH	<ul style="list-style-type: none"> The Company has hired Genius Traffic System Co., Ltd. to produce outdoor LED signs and set of LED display controller. 	0.37	1.10	-	Genius Traffic System Co., Ltd. is the Company with expertise in the production, sales, and installation of products related to traffic system along with associated equipment including LED display, color, banner, traffic lamps, etc. From this reason, the Company chooses to hire Genius Traffic System Co., Ltd.
	<ul style="list-style-type: none"> The Company has the accounts payable / other payables at the ending date of the accounting period. 	1.25	-	-	
	<ul style="list-style-type: none"> The Company has paid for the long-term rental cost of land and buildings (factory and office area 5) in advance for a period of 10 years from 1 June 2016 - 31 May 2026. 	17.50	14.73	12.98	
	<ul style="list-style-type: none"> The Company has accounts payable / other payables in this accounting period. The Company has to pay the monthly rent with the rental rate in sliding scale. The Company has accounts payable / other payables in this accounting period. 	-	-	-	
		0.14	0.24	0.24	Genius Traffic System Co., Ltd. subleases the land with building to the Company. Such transaction is normal and occurs following the necessity. The sublease rate is the rate determined under the sublease agreement between the Company and Genius. The rental rate is in line with that is given to others.

Transactions with persons subject to conflict of interest occurring in the accounting period of 2016 ending on 31 December 2016, the accounting period of 2017 ending on 31 December 2017, and the accounting period of 2018 ending on 31 December 2018

Related party transactions and conflict of interest	Features of transactions	Transaction value (Million Baht)			Necessity and rationality
		12-month period, year 2016 at 31 december	12-month period, year 2017 at 31 december	12-month period, year 2018 at 31 december	
3. Genius Traffic System Co., Ltd. as a subsidiary of FORTH (continue)	<ul style="list-style-type: none"> - The Company pays the charges for water supply / electricity / central air conditioning. - The Company has accounts payable / other payables in this accounting period. - The Company receives income from managing the product system for FORTH Vending Co., Ltd. 	0.58 0.08	0.38 -	0.06 -	
4. FORTH Vending Co., Ltd. as the subsidiary of FORTH	<ul style="list-style-type: none"> - The Company had the receivable for management fees. - The Company pays commission to FORTH Vending Co., Ltd. and help FORTH manage their system as a MA of the Company. - The Company has accrued commission payable at the ending date of the accounting period. - The Company has the Top-up return as account payable at the end of the accounting period. 	0.43 0.62 1.23	1.64 0.28 2.93	2.15 0.49 3.46	<p>The Company receives income from managing the product system for FORTH Vending which is calculated from the total sale of beverage by the rate of return. The rate of return is divided into 3 levels; low total sale of beverage to receive the return of 1.00%, Medium total sale of beverage to receive the return of 1.50%, and High total sale of beverage to receive the return of 1.50%. Such transaction is normal and occurs following the necessity. The rate of service charge follows the reasonable commercial conditions and they are the same conditions which the Company collected from other service providers.</p> <p>The Company pays commission to FORTH Vending as FORTH Vending is a representative of vending machines and online top-up machines of the Company, covering Bangkok and metropolitan area. Such transaction is normal and occurs following the necessity. The rate of service charge follows the reasonable commercial conditions and they are not different from paying to other Master Agent.</p> <p>The Company has the accrued remuneration from Top-up service to FORTH Vending. This is calculated from the top-up balance of different types of service multiplied by rate of returns. The rate of returns is divided into the top-up balance of less than 100 baht, paying the return of 7.50%. For the top-up balance higher than 100 baht, pay the return of 2.15%. For services, pay the return rate of 7.50% and for Games pay the return rate of 7.50%. Such transaction is normal and occurs following the necessity. The rate of service charge that needs to be paid following reasonable commercial conditions and they are the same conditions which the Company has requested from other service providers.</p>

Transactions with persons subject to conflict of interest occurring in the accounting period of 2016 ending on 31 December 2016, the accounting period of 2017 ending on 31 December 2017, and the accounting period of 2018 ending on 31 December 2018

Related party transactions and conflict of interest	Features of transactions	Transaction value (Million Baht)			Necessity and rationality
		12-month period, year 2016 at 31 december 2016	12-month period, year 2017 at 31 december 2017	12-month period, year 2018 at 31 december 2018	
4. Forth Vending Co., Ltd. as the subsidiary of FORTH (continue)	<ul style="list-style-type: none"> The Company has the money in the automatic vending machine waiting to be submitted as account payable at the end of the accounting period. 	0.83	1.55	3.49	The Company collects the warranty money (top-up limit and products) from Forth Vending in the same conditions which the Company has collected from other master agents.
5. Forth Smart Trading Co., Ltd. as the subsidiary	<ul style="list-style-type: none"> The Company purchase shares in Forth Smart Trading Co., Ltd. 	0.97	174.97	-	<p>On 6 February 2017, the Extraordinary General Meeting of Shareholder of Forth Smart Trading Company Limited passed a resolution to approve an increase in its registered capital of Baht 99 million from Baht 1 million to Baht 100 million. None of the minority shareholders wished to buy the additional ordinary shares issued and, as a result, the shareholding proportion of the Company increased to 99.97% of ordinary shares. The paid-up capital was 25% totaling to Baht 25.72 million. On 11 May 2017, the meeting of the Board of Director passed to approve the purchase of 20,000,000 additional shares with par value of Baht 10 each, amounting to Baht 200 million, of the subsidiary. None of the minority shareholders wished to buy the additional ordinary shares issued and, as a result, the Company acquired all of the additional ordinary shares and its interest in the subsidiary increased to 99.99% of its registered share capital. The subsidiary called up 25 % of the par value, totaling to Baht 50 million, and the Company had paid in this amount. On 18 July 2017 the subsidiary called up 75% of the par value or Baht 74.25 million. In addition, on 21 August 2017, the subsidiary called up 12.5% of the par value or Baht 25 million from the Company, and the Company had paid in this amount.</p>
	<ul style="list-style-type: none"> The Company has the warranty money (other current liabilities) in this accounting period. 	0.02	2.70	2.11	The Company asked for retention received (the credit amount for top-up and purchase of goods) same condition with other representatives.

Transactions with persons subject to conflict of interest occurring in the accounting period of 2016 ending on 31 December 2016, the accounting period of 2017 ending on 31 December 2017, and the accounting period of 2018 ending on 31 December 2018

Related party transactions and conflict of interest	Features of transactions	Transaction value (Million Baht)			Necessity and rationality
		12-month period, year 2016 at 31 december 2016	12-month period, year 2017 at 31 december 2017	12-month period, year 2018 at 31 december 2018	
5. FORTH Smart Trading Co., Ltd. as the subsidiary	<ul style="list-style-type: none"> - The Company paid commission to FORTH Trading Company Limited for leasing of water vending machines and gasoline vending machines 	-	0.87	0.65	The Company paid commission to FORTH Smart Trading Co. Ltd. as the representative for water vending machines, gasoline vending machines, and top-up machines. This transaction was a normal transaction that occurred as necessary. The price is also reasonable and indifferent from other representatives.
	<ul style="list-style-type: none"> - The Company has accrued commission payable at the ending date of the accounting period 	-	0.94	1.64	
	<ul style="list-style-type: none"> - The Company had revenue from profit sharing. 	-	3.01	-	The Company had receivables from water vending machines at the rate of 0.10 Baht per liter (Zero point One) for total monthly revenue from water vending machines. The Company had receivables from gasoline vending machines at the rate of 0.10 Baht per liter (Zero point One) for total monthly revenue from gasoline vending machines. The Company also had receivables from weighing scales at the rate of 0.10 Baht per transaction (Zero point One) for total monthly revenue from weighing scales before deducting expenses. This transaction was a normal transaction that occurred as necessary. The price is also reasonable and indifferent from other representatives.
	<ul style="list-style-type: none"> - The Company had receivables for management fees. 	-	16.12	33.62	
	<ul style="list-style-type: none"> - The Company sold water vending machines, weighing scales, spare parts and other related accessories. 	-	98.84	0.60	The Company sold water vending machines, gasoline vending machines, and weighing scales to FORTH Smart Trading Co. Ltd. with the price equaling to NBV plus margin of 5% on 20 February 2017. The conditions in this transaction was appropriate and the price was reasonable as other normal business transactions.
	<ul style="list-style-type: none"> - The Company has the receivable / other receivables at the ending date of the accounting period. 	-	-	-	

Transactions with persons subject to conflict of interest occurring in the accounting period of 2016 ending on 31 December 2016, the accounting period of 2017 ending on 31 December 2017, and the accounting period of 2018 ending on 31 December 2018

Related party transactions and conflict of interest	Features of transactions	Transaction value (Million Baht)			Necessity and rationality
		12-month period, year 2016 at 31 december 2016	12-month period, year 2017 at 31 december 2017	12-month period, year 2018 at 31 december 2018	
6. Forth Smart Digital Co., Ltd. as the subsidiary of Forth Smart Trading Co., Ltd.	<ul style="list-style-type: none"> - The Company paid for software development for each other. - The Company has the accounts payable / other payables at the ending date of the accounting period. 	-	0.81	4.60 0.85	The Company paid for software development used in its operation. This transaction was a normal transaction that occurred as necessary. The price of this transaction was also reasonable.
7. Box 24 Co., Ltd. had the same directors and executives as the Company.	<ul style="list-style-type: none"> - The Company had revenue from renting the office space to Box 24 Co., Ltd. - The Company has the receivable / other receivables at the ending date of the accounting period. 	-	0.02 0.02	0.16	The Company asked for the rental fee for office space. This transaction was a normal transaction that occurred as necessary. The price of this transaction was also reasonable.

Report of the Risk Management Committee

The Board of Directors recognizes the important of enterprise risk management that helps the business to continue the operation seamlessly and reduces the unexpected events. The Board of Directors has appointed the Risk Management Committee that consists of 4 members (2 are independent members) who are responsible for determining risk management policy, risk management plan, risk assessment process, risk prevention measures, as well as, monitoring the risk management process regularly. There is also a working team of risk management who is responsible for analyzing, assessing, risk managing and reporting to the Risk Management Committee quarterly.

The Risk Management Committee has performed duties as assigned by the Board of Directors. In the year of 2018 there were 4 meetings to consider significant matters as follows:

1. Considering the annual enterprise risk management plan that executives from the relevant division has made risk assessment and prioritization of risks as well as designate the impact occurred and determine how to manage such risks at an acceptable level or reduce the chances that the risk will arise.
2. Monitoring and reviewing the implementation of enterprise risk management plan under the terms of the policy and framework of the enterprise risk management defined to ensure that the Company has the systematic and effective risk management by assigning the Compliance Unit to monitor and review the risk management of each company to achieve the purposes defined by the Company.

From the operations mention above, the Risk Management Committee is confident that the company's risk management is of continuity and is carried out effectively in accordance with the principles and practices of good corporate governance, including the adequate and appropriate internal control systems for the business, compliance with laws and regulations related to business operation properly and completely. The Risk Management Committee will consider and follow up and present the corporate risk management plan to the Board of Directors on a quarterly basis.



Mr. Dumrong Kaewprasit
Chairman of Risk Management Committee

Report of the Audit Committee

The Audit Committee, appointed according to the resolutions of the Board of Directors, comprises of 3 independent directors who are not executives and qualified in financial accounting, law and management namely as follows:

1. Mr. Damrong	Kaewprasit	Chairman of Audit Committee
2. Mr. Boonchai	Sowanwanichakul	Audit Committee
3. Admiral Kraisor	Chansuvanich	Audit Committee

The Audit Committee has appointed Ms. Rungrawee Bangkul as the secretary of the Audit Committee. Every of the Audit Committee is a qualified person as defined in the Charter of the Audit Committee in accordance with the terms and guidelines for the Audit Committee of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Audit Committee has performed its duties under the scope of responsibilities independently as assigned by the Board of Directors in helping the Board to monitor and review to enhance the Company's corporate governance and internal control systems. In 2018, there were 4 meetings of the Audit Committee, each of which has discussed and exchanged views with top management, auditors and internal auditor to present information and recommendations on related agenda. The details of the Audit Committee's attendance on the meeting in 2018 appeared on the topic "Management Structure" which can be summarized as follows:

1. To review the Company's financial statements, quarterly and annual of 2018, which are reviewed and audited by the auditor for essential accuracy, in accordance with the accounting standards, defines by law with completeness and adequate disclosure of information prior to consideration by the Board of Directors for approval.
2. To consider the audit plan and acknowledge audit results and recommendations of the internal auditor related to the analysis of the internal control system and present them to the management to consider improving and correcting as appropriate to the case including follow-up on the progress of the improvement of deficiencies as well as guidance that is useful to help the Company's internal control system more efficient and effective in consideration of the risk of the enterprise.
3. To review the Company's compliance with best practices for listed companies, according to the notification of the Stock Exchange of Thailand as well as the compliance with the regulations and requirements of the laws relevant to the business of the Company.
4. To review and propose opinions to related transactions, or transactions that may have a conflict of interest, including consideration of disclosure in such matters to ensure that it is correct and complete.
5. To follow up the results of general auditing and electronic payment service of the Company as permitted from the Bank of Thailand under e-Payment Act.
6. To assess the independence of the auditor for considering nomination, dismissing and remuneration for the year 2018.

The Audit Committee has performed the duties and responsibilities assigned by using their knowledge, ability as well as the cautiousness, sufficient independence. There is no limit on obtaining information, both from the executive, employees and related persons, as well as providing creative comments and suggestions for benefits of all stakeholders equally.

The Audit Committee is of the opinion that the process of preparing the Company's accounting and finance has a good and adequate internal control system enough to ensure that the quarterly and the annual financial reports

of 2018 had been prepared and classified as properly as it should in essence, in accordance with the accounting standard defined by law, including the disclosure of related transaction accurately with sufficient information that does not cause a conflict of interest and is the most beneficial to the Company and shareholders. The Company has provided the internal controls system and checks and balance mechanism effective enough as well as commitments under the Securities and Exchange Act, requirements of the Stock Exchange of Thailand, corporate governance policy, code of conduct or laws related to the Company's business.

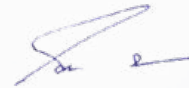
For the annual financial statements of 2019 (1 January 2019 – 31 December 2019) in the meeting of Audit Committee No. 1/2019 held on 14 February 2019, Audit Committee has resolved to propose to the Board of Directors for approval by the shareholders' meeting to appoint EY Office Limited to be the Company's auditors continuing from last year by assessment from the auditor's independence, extensive knowledge and experience. In the year 2018, the Company found their performance is reliable and satisfactory. In addition, EY Office Limited is the audit company that has good reputation with standard of auditing that is widely accepted in the audit practice. In addition, the Audit Committee had considered the remuneration of the auditor to propose the Board of Directors for approval by the Annual General Meeting of Shareholder later.



Mr. Damrong Kaewprasit
Chairman of Audit Committee



Mr. Boonchai Sowanwanichakul
Audit Committee



Admiral Kraisorn Chansuwanich
Audit Committee

Report of the Nomination and Remuneration Committee

Nomination and Remuneration Committee appointed by the Board of Directors consists of 5 members as follows:

- | | | | |
|----|---------------------|----------------|---|
| 1. | Admiral Kraisor | Chansuvanich | Chairman of Nomination and Remuneration Committee |
| 2. | Pol.Lt.Gen. Boriham | Siang-arom | Nomination and Remuneration Committee |
| 3. | Mr. Boonchai | Sowanwanichkul | Nomination and Remuneration Committee |
| 4. | Mr. Pongchai | Amatanon | Nomination and Remuneration Committee |
| 5. | Mr. Narongsak | Lersabthawee | Nomination and Remuneration Committee |

The Nomination and Remuneration Committee has Ms. Rungrawee Bangkun as the secretary of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has performed duties as assigned by the Board of Directors which is defined in the Charter of the Nomination and Remuneration Committee.

In 2018, there are 2 meetings of the Nomination and Remuneration Committee in which all directors attended both of the meetings and reported the meeting results to the Board of Directors for acknowledgment of which important considerations are in summary as follows:

1. Consider and approve the evaluation form for the qualifications of the Board of Directors to be a guideline for considering the qualifications of the Board of Directors. The evaluation form of the board's qualifications is a standard form that is used in general companies.

2. Considering the directors who have completed their terms and proposed new directors according to Section 71 of the Public Limited Companies Act BE 2535 and the Company's Articles of Association, Article 19, requiring that in every annual general meeting, the directors must leave at least one-third of the total number of directors at that time, which is equal to 3 persons from all 9 directors and present to the shareholders' meeting of the year 2018 for further approval.

3. Consider the determination of remuneration for directors by considering the company's operating results, business size and responsibilities of the Board of Directors which is compared with other companies that are in the same industry and proposed to the shareholders' meeting of the year 2018 for further approval.

4. Consider and acknowledge the resignation of the Board of Directors, consider the qualifications and present the list of directors of the company to replace the existing directors who resigned and appoint the company secretary.

5. Consider training courses for the Directors that are in replacement positions.

Incidentally, the Board of Directors Meeting No. 7/2018, which was held on 12 November 2018, approved the change of the Nomination and Remuneration Committee by having the names of the directors as follows:

- | | | | |
|----|---------------------|----------------|---|
| 1. | Admiral Kraisor | Chansuvanich | Chairman of Nomination and Remuneration Committee |
| 2. | Pol.Lt.Gen. Boriham | Siang-arom | Nomination and Remuneration Committee |
| 3. | Mr. Boonchai | Sowanwanichkul | Nomination and Remuneration Committee |
| 4. | Mr. Pongchai | Amatanon | Nomination and Remuneration Committee |
| 5. | Mr. Narongsak | Lersabthawee | Nomination and Remuneration Committee |



(Admiral Kraisor Chansuvanich)

Chairman of Nomination and Remuneration Committee

Report of the Board of Directors Responsibility for the Financial Statements

The Board of Directors has considered the financial statements of Forth Smart Service Public Company Limited, and financial information that appear in the annual report, that such financial statements are prepared in accordance with Thai Financial Reporting Standards by using the appropriate accounting policies and practices consistently, as well as careful discretion and the best estimate for the preparation, including the disclosure of sensitive information which is adequately in the notes to the financial statements for the benefits of shareholders and investors in a transparent manner.

The Board of Directors has established and maintained systems for an effective internal control sufficient to provide reasonable assurance that the accounting records are accurate, complete, and adequate to preserve and maintain the assets in order to acknowledge the weakness to prevent fraud or irregular operations significantly.

The Board of Directors has appointed Audit Committee, which comprises independent directors who meet the criteria defining of the Stock Exchange of Thailand to be the administrator responsible for the quality of the financial reporting and internal control audit system. The opinion of the Board of Directors regarding such matters appears in the Audit Committee report, which is presented in the annual report.

The Board of Directors of the Company are of the opinion that the financial statements for the year ended 31 December 2018 of Forth Smart Service Public Company Limited, which the Audit Committee has reviewed together with the management and auditors of the Company, had showed the financial position and the results of operations in essence as proper as it should be according to the Thai Financial Reporting Standards.



(Mr. Pichit Nimkul)

Chairman of the Board of Directors



(Mr. Pongchai Amatanon)

Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Forth Smart Service Public Company Limited

Opinion

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

Basis for Opinion

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

Key Audit Matters

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

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

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

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

The Company provides top-up for prepaid phone services, and receipt of online payment services through online top-up machines. There are numerous transactions and the income from the rendering of these services is material and 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 Company 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 loss or damage of online top-up machines

The Company renders online services through top-up machines, as at 31 December 2018, the net book value was Baht 1,990 million, or 51 percent of total assets as presented in the consolidated financial statements, which is material. The online top-up machines are installed at locations around the country and the Company 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 Company 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 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 Company's premises. I also enquired with management and checking the status and movement of online top-up machines after the period end in cases where the status of online top-up machines is presented as out of service.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

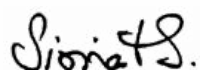
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material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

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

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

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

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



Sirirat Sricharoensup
Certified Public Accountant (Thailand) No. 5419

EY Office Limited
Bangkok: 14 February 2019

Forth Smart Service Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	288,383,154	281,568,629	266,746,201	271,941,746
Accrued income and other receivables	6, 8	893,177,944	781,053,800	913,971,167	791,111,348
Prepaid telephone charges		136,610,195	175,253,063	136,610,195	175,253,063
Inventories		89,768,450	75,307,064	85,780,024	71,851,042
Other current assets					
Refundable value added tax		4,907,756	7,914,042	-	460,425
Others		18,026,709	27,219,551	19,006,565	27,678,588
Total current assets		1,430,874,208	1,348,316,149	1,422,114,152	1,338,296,212
Non-current assets					
Investment in subsidiaries	9	-	-	174,970,000	174,970,000
Other long-term investment	10	43,151,815	37,151,815	32,000,000	26,000,000
Leasehold improvement and equipment	11	2,361,922,615	2,803,860,836	2,269,860,244	2,695,102,948
Intangible assets	12	58,537,116	49,023,483	41,202,039	27,986,914
Prepayment of long-term lease	6	12,979,167	14,729,167	12,979,167	14,729,167
Deferred tax assets	18	3,326,104	1,451,160	2,782,703	1,304,610
Other non-current assets		5,407,573	5,913,956	5,383,052	5,913,966
Total non-current assets		2,485,324,390	2,912,130,417	2,539,177,205	2,946,007,605
Total assets		3,916,198,598	4,260,446,566	3,961,291,357	4,284,303,817

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

Forth Smart Service Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	13	660,000,000	700,000,000	660,000,000	700,000,000
Trade and other payables	6, 14	759,414,572	770,001,182	818,375,050	801,349,743
Current portion of long-term loans	15	380,373,116	375,058,672	380,373,116	375,058,672
Income tax payable		20,383,006	6,761,518	19,410,483	6,670,179
Other current liabilities					
Retention received from service representatives		596,655,471	613,659,909	594,545,471	610,964,909
Others		36,148,817	27,277,044	35,847,352	27,044,153
Total current liabilities		2,452,974,982	2,492,758,325	2,508,551,472	2,521,087,656
Non-current liabilities					
Long-term loans, net of current portion	15	204,435,544	430,475,327	204,435,544	430,475,327
Provision for long-term employee benefits	16	7,230,941	3,227,894	7,230,941	3,227,894
Total non-current liabilities		211,666,485	433,703,221	211,666,485	433,703,221
Total liabilities		2,664,641,467	2,926,461,546	2,720,217,957	2,954,790,877
Shareholders' equity					
Share capital					
Registered					
800,000,000 ordinary shares of Baht 0.5 each		400,000,000	400,000,000	400,000,000	400,000,000
Issued and paid-up					
800,000,000 ordinary shares of Baht 0.5 each		400,000,000	400,000,000	400,000,000	400,000,000
Share premium		387,242,571	387,242,571	387,242,571	387,242,571
Retained earnings					
Appropriated - statutory reserve	20	40,000,000	40,000,000	40,000,000	40,000,000
Appropriated - treasury shares reserve	25	187,341,205	-	187,341,205	-
Unappropriated		418,178,812	498,311,586	413,830,829	502,270,369
Treasury shares	25	(187,341,205)	-	(187,341,205)	-
Equity attributable to owners of the Company		1,245,421,383	1,325,554,157	1,241,073,400	1,329,512,940
Non-controlling interests of the subsidiaries		6,135,748	8,430,863	-	-
Total shareholders' equity		1,251,557,131	1,333,985,020	1,241,073,400	1,329,512,940
Total liabilities and shareholders' equity		3,916,198,598	4,260,446,566	3,961,291,357	4,284,303,817
		-	-	-	-

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

Forth Smart Service Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales of goods		10,541,950	61,434,400	7,451,338	62,015,352
Income from rendering of top-up service					
for prepaid phone and receipt of other online services		1,400,536,701	1,344,873,563	1,400,382,591	1,344,552,327
Income from rendering of services through online					
top-up machines	17	1,917,435,041	1,748,521,392	1,891,810,868	1,721,570,102
Advertising income		21,070,562	11,544,846	-	-
Other income	14	252,719,286	198,186,219	252,576,486	205,371,083
Total revenues		3,602,303,540	3,364,560,420	3,552,221,283	3,333,508,864
Expenses					
Cost of sales		8,889,023	56,770,884	6,432,530	57,406,027
Cost of services		2,631,206,290	2,373,502,500	2,599,500,324	2,342,019,912
Service expenses		48,108,349	86,339,842	48,108,349	86,338,942
Administrative expenses		194,055,842	183,721,816	185,844,784	178,302,732
Total expenses		2,882,259,504	2,700,335,042	2,839,885,987	2,664,067,613
Profit before finance cost and income tax expenses		720,044,036	664,225,378	712,335,296	669,441,251
Finance cost		(62,012,045)	(56,692,845)	(62,005,166)	(56,682,813)
Profit before income tax expenses		658,031,991	607,532,533	650,330,130	612,758,438
Income tax expenses	18	(77,221,755)	(66,205,809)	(75,531,545)	(66,070,732)
Profit for the year		580,810,236	541,326,724	574,798,585	546,687,706
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	16	(2,424,287)	-	(2,424,287)	-
Less: Income tax effect	18	484,857	-	484,857	-
Total other comprehensive income for the year (loss)		(1,939,430)	-	(1,939,430)	-
Total comprehensive income for the year		578,870,806	541,326,724	572,859,155	546,687,706

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

Forth Smart Service Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2018

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
Note		2018	2017	2018	2017
Profit attributable to:					
Equity holders of the Company		583,105,351	542,895,866	574,798,585	546,687,706
Non-controlling interests of the subsidiaries		(2,295,115)	(1,569,142)		
		<u>580,810,236</u>	<u>541,326,724</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		581,165,921	542,895,866	572,859,155	546,687,706
Non-controlling interests of the subsidiaries		(2,295,115)	(1,569,142)		
		<u>578,870,806</u>	<u>541,326,724</u>		
Basic earnings per share					
	19				
Profit attributable to equity holders of the Company		<u>0.74</u>	<u>0.68</u>	<u>0.73</u>	<u>0.68</u>

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

Forth Smart Service Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Issued and paid-up share capital	Share premium	Statutory reserve	Appropriated Treasury shares reserve	Unappropriated Treasury shares	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
Balance as at 1 January 2017	400,000,000	387,242,571	40,000,000	-	355,414,520	1,182,657,091	24,837	1,182,681,928		
Profit (loss) for the year	-	-	-	-	542,895,866	542,895,866	(1,569,142)	541,326,724		
Total comprehensive income for the year	-	-	-	-	542,895,866	542,895,866	(1,569,142)	541,326,724		
Dividend payment (Note 24)	-	-	-	-	(399,998,800)	(399,998,800)	-	(399,998,800)		
Decrease in non-controlling interest of the subsidiary from investment in the subsidiary	-	-	-	-	-	-	(24,837)	(24,837)		
Increase in non-controlling interest of the subsidiary from increase capital of the subsidiary	-	-	-	-	-	-	10,000,005	10,000,005		
Balance as at 31 December 2017	400,000,000	387,242,571	40,000,000	-	498,311,586	1,325,554,157	8,430,863	1,333,985,020		
Balance as at 1 January 2018	400,000,000	387,242,571	40,000,000	-	498,311,586	1,325,554,157	8,430,863	1,333,985,020		
Profit (loss) for the year	-	-	-	-	583,105,351	583,105,351	(2,295,115)	580,810,236		
Other comprehensive income for the year (loss)	-	-	-	-	(1,939,430)	(1,939,430)	-	(1,939,430)		
Total comprehensive income for the year	-	-	-	-	581,165,921	581,165,921	(2,295,115)	578,870,806		
Treasury shares during the period (Note 25)	-	-	-	-	-	(187,341,205)	-	(187,341,205)		
Transferred unappropriated retained earnings to treasury shares reserve (Note 25)	-	-	-	187,341,205	(187,341,205)	-	-	-		
Dividend payment (Note 24)	-	-	-	-	(473,957,490)	(473,957,490)	-	(473,957,490)		
Balance as at 31 December 2018	400,000,000	387,242,571	40,000,000	187,341,205	418,178,812	1,245,421,383	6,135,748	1,251,557,131		

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

Forth Smart Service Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

	Separate financial statements							(Unit: Baht)
	Issued and paid-up share capital	Share premium	Retained earnings				Treasury shares	Total
			Statutory reserve	Appropriated	Treasury shares reserve	Unappropriated		
Balance as at 1 January 2017	400,000,000	387,242,571	40,000,000	-	-	355,581,463	-	1,182,824,034
Profit for the year	-	-	-	-	-	546,687,706	-	546,687,706
Total comprehensive income for the year	-	-	-	-	-	546,687,706	-	546,687,706
Dividend payment (Note 24)	-	-	-	-	-	(399,998,800)	-	(399,998,800)
Balance as at 31 December 2017	400,000,000	387,242,571	40,000,000	-	-	502,270,369	-	1,329,512,940
Balance as at 1 January 2018	400,000,000	387,242,571	40,000,000	-	-	502,270,369	-	1,329,512,940
Profit for the year	-	-	-	-	-	574,798,585	-	574,798,585
Other comprehensive income for the year (loss)	-	-	-	-	-	(1,939,430)	-	(1,939,430)
Total comprehensive income for the year	-	-	-	-	-	572,859,155	-	572,859,155
Treasury shares during the period (Note 25)	-	-	-	-	-	-	(187,341,205)	(187,341,205)
Transferred unappropriated retained earnings to treasury shares reserve (Note 25)	-	-	-	-	187,341,205	(187,341,205)	-	-
Dividend payment (Note 24)	-	-	-	-	-	(473,957,490)	-	(473,957,490)
Balance as at 31 December 2018	400,000,000	387,242,571	40,000,000	-	187,341,205	413,830,829	(187,341,205)	1,241,073,400

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

Forth Smart Service Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	658,031,991	607,532,533	650,330,130	612,758,438
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	540,596,349	455,400,898	523,594,330	440,491,644
Amortisation for intangible assets	6,523,947	3,685,677	4,475,980	3,152,477
Amortisation for prepayment of long-term lease	1,750,000	1,750,000	1,750,000	1,750,000
Loss on write-off equipment	2,519,451	2,146,614	2,248,474	2,146,614
Allowance for deterioration/loss of equipment (reversal)	3,445,529	(622,374)	3,178,030	(622,374)
Increase in provision for long-term employee benefits	1,578,760	1,181,545	1,578,760	1,181,545
Gain on sales of equipments	(4,443,431)	(53,188)	(4,443,431)	(4,722,755)
Interest expenses	42,898,603	31,651,728	42,949,855	31,747,168
Profit from operating activities before changes in operating assets and liabilities	1,252,901,199	1,102,673,433	1,225,662,128	1,087,882,757
Operating assets (increase) decrease				
Accrued income and other receivables	(112,124,144)	(154,943,915)	(122,859,819)	(164,944,911)
Prepaid telephone charges	38,642,868	(9,481,650)	38,642,868	(9,481,650)
Inventories	(14,461,386)	(41,080,464)	(13,928,982)	(37,687,092)
Other current assets	12,421,261	(7,797,764)	9,132,450	(848,273)
Other non-current assets	506,381	(21,697)	530,912	(21,699)
Operating liabilities increase (decrease)				
Trade and other payables	5,163,523	174,719,702	32,775,440	206,234,082
Other current liabilities	(8,132,665)	129,932,207	(7,616,239)	127,004,316
Cash flows from operating activities	1,174,917,037	1,193,999,852	1,162,338,758	1,208,137,530
Cash paid for interest expenses	(43,143,390)	(30,653,284)	(43,194,641)	(30,748,723)
Cash paid for corporate income tax	(65,212,485)	(64,627,759)	(63,784,478)	(64,437,469)
Cash received from income tax refund	-	7,015,222	-	7,015,222
Net cash flows from operating activities	1,066,561,162	1,105,734,031	1,055,359,639	1,119,966,560

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

Forth Smart Service Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Increase in investment in subsidiary	-	-	-	(174,000,000)
Increase in other long-term investment	(6,000,000)	(29,151,815)	(6,000,000)	(18,000,000)
Proceeds from sales of equipments	5,649,495	256,262	5,649,495	98,412,243
Acquisition of equipments	(105,829,172)	(1,107,356,489)	(104,984,194)	(1,077,175,761)
Payments of other payables for purchases of equipment	(15,505,346)	(16,803,398)	(15,505,346)	(16,803,398)
Acquisition of computer software	(16,037,580)	(25,112,834)	(17,691,105)	(3,543,065)
Net cash flows used in investing activities	<u>(137,722,603)</u>	<u>(1,178,168,274)</u>	<u>(138,531,150)</u>	<u>(1,191,109,981)</u>
Cash flows from financing activities				
Cash receipt from short-term loans	2,760,000,000	2,300,000,000	2,760,000,000	2,300,000,000
Repayments of short-term loans	(2,800,000,000)	(2,000,000,000)	(2,800,000,000)	(2,000,000,000)
Cash receipt from long-term loans	200,000,000	600,000,000	200,000,000	600,000,000
Repayments of long-term loans	(420,725,339)	(300,412,588)	(420,725,339)	(300,412,588)
Dividend paid	(473,957,490)	(399,998,800)	(473,957,490)	(399,998,800)
Acquisition of treasury shares	(187,341,205)	-	(187,341,205)	-
Decrease in non-controlling interests of the subsidiary				
from investment in the subsidiary	-	(24,837)	-	-
Increase in non-controlling interests of the subsidiary				
from increase capital of the subsidiary	-	10,000,005	-	-
Net cash flows from (used in) financing activities	<u>(922,024,034)</u>	<u>209,563,780</u>	<u>(922,024,034)</u>	<u>199,588,612</u>
Net increase (decrease) in cash and cash equivalents	<u>6,814,525</u>	<u>137,129,537</u>	<u>(5,195,545)</u>	<u>128,445,191</u>
Cash and cash equivalents at beginning of year	<u>281,568,629</u>	<u>144,439,092</u>	<u>271,941,746</u>	<u>143,496,555</u>
Cash and cash equivalents at end of year	<u>288,383,154</u>	<u>281,568,629</u>	<u>266,746,201</u>	<u>271,941,746</u>
	-	-	-	-
Supplemental cash information				
Non-cash items				
Purchases of equipment for which no cash has been paid	-	33,857,188	-	33,763,337
Transfer non-current assets held for sales to equipment	-	5,033,812	-	5,033,812

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

Forth Smart Service Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2018

1. Corporate information

Forth Smart Service Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Forth Corporation Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in rendering of top-up service for prepaid phone, receipt of other online services, advertising services through online top-up machines and rendering of service relating to online top-up machines. The registered office of the Company is at 256 Paholyothin Road, Samsennai, Phayathai, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Forth Smart Service Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	Percent
<u>Subsidiary held through the Company</u>				
Forth Smart Trading Company Limited	Distribution of goods and rendering of service relating to online top-up machines	Thailand	99.99	99.99
<u>Subsidiary held through its subsidiary</u>				
Forth Smart Digital Company Limited	Electronics commerce	Thailand	60.00	60.00

- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary 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.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

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

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

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

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

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations

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

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

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

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

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

4. Significant accounting policies

4.1 Revenues recognition

Sales of goods

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

Income from rendering of top-up service for prepaid phone and receipt of other online services

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

Income from rendering of services through online top-up machines

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.

Advertising income

Advertising income is recognised when services have been rendered taking into account the stage of completion. Service rate charged is in accordance with conditions stipulated in the contract.

Other income

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

Income from insurance received on online top-up machines is insurance that the Company 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 the 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 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.

4.3 Receivables

Receivables 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.

4.4 Inventories

Finished goods are valued at the lower of cost (weighted average method) and net realisable value.

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in subsidiaries is accounted for in the separate financial statements using the cost method.

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.

4.6 Leasehold improvements and equipment and depreciation

Leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Leasehold improvements	5 years
Online top-up machines and related equipments	5, 8 years
Equipment and office equipments	5 years
Motor vehicles	10 years

Depreciation is included in determining income.

No depreciation is provided on assets awaiting installation.

An item of leasehold improvements 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.

4.7 Intangible assets

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 asset with finite useful lives are as follows:

Computer software	10 years
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4.8 Related party transactions

Related parties comprise individuals or 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 associated companies, and individuals or enterprises 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.

4.9 Operating leases

Leases of buildings 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.

4.10 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the leasehold improvements 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.

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

Defined benefit plans

The Company has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

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

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

4.12 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.

4.13 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 recognises 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 reviews 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 record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Derivatives

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

4.15 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 judgments and estimates

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

Leasehold improvements and equipment / Depreciation

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

In addition, the management is required to review leasehold improvements 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.

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 and those related parties.

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	Pricing policy	2018	2017	2018	2017
<u>Transactions with parent company</u>					
Purchases of equipment for installation of online top-up machines	Cost plus margin	71	94	70	90
Purchases of online top-up machines	Cost plus margin	16	1,001	16	972
Sales of online top-up machines	Cost plus margin	5	-	5	-
Service and administrative expenses	Agreed rate	3	3	3	3
Rental expenses	Agreed rate	20	19	18	18
<u>Transactions with subsidiary companies</u>					
(Eliminated from the consolidated financial statements)					
Sales of equipment	Cost plus margin	-	-	-	99
Others income	Agreed rate	-	-	4	3
Purchases of intangible assets	Agreed rate	-	-	5	-
Commission expresses	Agreed rate	-	-	1	-
Service and administrative expenses	Agreed rate	-	-	1	-
<u>Transactions with related companies</u>					
Purchase of equipment for installation of online top-up machines	Cost plus margin	47	73	47	73
Commission expenses	Agreed rate	3	3	3	3
Service and administrative expenses	Agreed rate	2	1	2	1
Commission income	Agreed rate	2	2	2	2

The balances of the accounts as at 31 December 2018 and 2017 between the Company and those related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Accrued income - related parties (Note 8)</u>				
Subsidiaries	-	-	876	197
Related parties ⁽¹⁾	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>
Total	<u>4</u>	<u>-</u>	<u>880</u>	<u>197</u>
<u>Other receivables - related parties (Note 8)</u>				
Parent company	-	2	-	2
Subsidiaries	-	-	31,109	14,908
Related parties ⁽¹⁾	<u>491</u>	<u>303</u>	<u>491</u>	<u>410</u>
Total	<u>491</u>	<u>305</u>	<u>31,600</u>	<u>15,320</u>
<u>Prepayment of long-term lease - related parties</u>				
Related parties ⁽¹⁾	<u>12,979</u>	<u>14,729</u>	<u>12,979</u>	<u>14,729</u>
Total	<u>12,979</u>	<u>14,729</u>	<u>12,979</u>	<u>14,729</u>
<u>Trade and other payables - related parties (Note 14)</u>				
Parent company	14,054	23,415	12,096	23,122
Subsidiaries	-	-	64,161	33,876
Related parties ^{(1), (2)}	<u>25,472</u>	<u>16,259</u>	<u>25,467</u>	<u>16,259</u>
Total	<u>39,526</u>	<u>39,674</u>	<u>101,729</u>	<u>73,257</u>

Relationship with the related company

⁽¹⁾ Related by same director and management

⁽²⁾ Related by related person of the Company's management

Directors and management's benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	10,196	10,621	10,196	10,621
Post-employment benefits	1,770	1,376	1,770	1,376
Total	11,966	11,997	11,966	11,997

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	2,063	3,748	2,043	3,729
Bank deposit	281,789	276,576	260,172	266,968
Deposits at banks with restrictions	4,531	1,245	4,531	1,245
Total	288,383	281,569	266,746	271,942

As at 31 December 2018, bank deposits in saving accounts, carried interests between 0.30 and 0.90 percent per annum (2017: between 0.13 and 0.15 percent per annum).

As at 31 December 2018, the Company's deposits at banks with restrictions amounting to Baht 5 million (2017: Baht 1 million) was maintenance of minimum levels of bank deposits for deposits from customers in accordance with the notification of the Bank of Thailand regarding "Stipulation of Guidelines, Procedures and Conditions for Electronic Money Business", the Company is required at all times to maintain bank deposits in an amount not less than the amount of deposits received from customers.

8. Accrued income and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accrued income - related parties	4	-	880	197
Accrued income	881,462	763,842	870,339	758,750
Other receivables - related parties	491	305	31,600	15,320
Other receivables	11,337	17,023	11,268	16,960
Total	893,294	781,170	914,087	791,227
Less: Allowance for doubtful debts	(116)	(116)	(116)	(116)
Total accrued income and other receivables - net	893,178	781,054	913,971	791,111

9. Investment in subsidiaries

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

Company's Name	Paid-up capital		Shareholding percentage		Carrying amounts based on cost method	
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(percent)	(percent)	(Thousand Baht)	(Thousand Baht)
Subsidiary directly held by the Company						
Forth Smart Trading Co., Ltd.	175,000	175,000	99.99	99.99	174,970	174,970
Subsidiary held by Forth Smart Trading Co., Ltd.						
Forth Smart Digital Co., Ltd.	25,000	25,000	60.00	60.00	-	-
Total investment in subsidiaries					174,970	174,970

10. Other long-term investments

On 3 February 2017, a meeting of the extraordinary of the shareholders of Forth Vending Company Limited, which the Company invests at 10 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. Consequently, during the year 2017, Forth Vending Company Limited called up 75 percent of the par value of the increase of its capital from the Company or totaling Baht 18 million, and the Company had paid in such amount.

Subsequently, on 15 November 2018, such company called up remaining 25 percent of the par value of the increase of its capital from the Company or Baht 6 million, and the Company had paid in such amount.

11. Leasehold improvement and equipment

(Unit: Thousand Baht)

Consolidated financial statements						
	Leasehold improvements	Online top-up machines and related equipment	Equipment and office equipment	Motor vehicles	Assets awaiting installation	Total
Cost						
1 January 2017	47,794	2,919,748	92,794	5,319	1,499	3,067,154
Additions	878	1,129,243	11,034	-	59	1,141,214
Disposals/written-off	-	(5,400)	-	-	-	(5,400)
Transfer non-current assets held for sales to equipment	-	14,520	-	-	-	14,520
Transferred in (out)	-	-	1,375	-	(1,375)	-
31 December 2017	48,672	4,058,111	105,203	5,319	183	4,217,488
Additions	23	103,298	1,915	-	593	105,829
Disposals/written-off	(136)	(20,017)	(208)	(423)	-	(20,784)
Transferred in (out)	-	-	776	-	(776)	-
31 December 2018	48,559	4,141,392	107,686	4,896	-	4,302,533
Accumulated depreciation						
1 January 2017	2,552	911,472	32,343	1,874	-	948,241
Depreciation for the year	9,669	427,724	17,475	532	-	455,400
Depreciation on disposals/ written-off	-	(3,005)	-	-	-	(3,005)
Transfer non-current assets held for sales to equipment	-	9,486	-	-	-	9,486
31 December 2017	12,221	1,345,677	49,818	2,406	-	1,410,122
Depreciation for the year	9,655	512,666	17,775	500	-	540,596
Depreciation on disposals/written-off	(28)	(16,640)	(44)	(346)	-	(17,058)
31 December 2018	21,848	1,841,703	67,549	2,560	-	1,933,660
Allowance for deterioration/loss of equipment						
1 January 2017	-	4,127	-	-	-	4,127
Increase during the year	-	132	-	-	-	132
Decrease during the year	-	(754)	-	-	-	(754)
31 December 2017	-	3,505	-	-	-	3,505
Increase during the year	-	7,475	-	-	-	7,475
Decrease during the year	-	(4,030)	-	-	-	(4,030)
31 December 2018	-	6,950	-	-	-	6,950
Net book value						
31 December 2017	36,451	2,708,929	55,385	2,913	183	2,803,861
31 December 2018	26,711	2,292,739	40,137	2,336	-	2,361,923
Depreciation for the year						
2017 (Baht 428 million included in cost of services, and the balance in administrative expenses)						455,400
2018 (Baht 513 million included in cost of services, and the balance in administrative expenses)						540,596

(Unit: Thousand Baht)

Separate financial statements

	Leasehold improvements	Online top-up machines and related equipment	Equipment and office equipment	Motor vehicles	Assets awaiting installation	Total
Cost						
1 January 2017	47,794	2,919,748	92,794	5,319	1,499	3,067,154
Additions	753	1,099,432	10,694	-	60	1,110,939
Disposals/written-off	-	(109,392)	-	-	-	(109,392)
Transfer non-current assets held for sales to equipment	-	14,520	-	-	-	14,520
Transferred in (out)	-	-	1,375	-	(1,375)	-
31 December 2017	48,547	3,924,308	104,863	5,319	184	4,083,221
Additions	12	102,974	1,406	-	592	104,984
Disposals/written-off	-	(20,017)	-	(423)	-	(20,440)
Transferred in (out)	-	-	776	-	(776)	-
31 December 2018	48,559	4,007,265	107,045	4,896	-	4,167,765
Accumulated depreciation						
1 January 2017	2,552	911,472	32,343	1,874	-	948,241
Depreciation for the year	9,663	412,837	17,459	532	-	440,491
Depreciation on disposals/written-off	-	(13,605)	-	-	-	(13,605)
Transfer non-current assets held for sales to equipment	-	9,486	-	-	-	9,486
31 December 2017	12,215	1,320,190	49,802	2,406	-	1,384,613
Depreciation for the year	9,633	495,796	17,665	500	-	523,594
Depreciation on disposals/written-off	-	(16,639)	-	(346)	-	(16,985)
31 December 2018	21,848	1,799,347	67,467	2,560	-	1,891,222
Allowance for deterioration/loss of equipment						
1 January 2017	-	4,127	-	-	-	4,127
Increase during the year	-	132	-	-	-	132
Decrease during the year	-	(754)	-	-	-	(754)
31 December 2017	-	3,505	-	-	-	3,505
Increase during the year	-	7,208	-	-	-	7,208
Decrease during the year	-	(4,030)	-	-	-	(4,030)
31 December 2018	-	6,683	-	-	-	6,683
Net book value						
31 December 2017	36,332	2,600,613	55,061	2,913	184	2,695,103
31 December 2018	26,711	2,201,235	39,578	2,336	-	2,269,860
Depreciation for the year						
2017 (Baht 413 million included in cost of services, and the balance in administrative expenses)						440,491
2018 (Baht 496 million included in cost of services, and the balance in administrative expenses)						523,594

As at 31 December 2018, certain items of online top-up machines and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for deterioration/loss of equipment of those assets amounted to approximately Baht 262 million (2017: Baht 74 million).

12. Intangible assets

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 31 December 2018:		
Cost	71,907	51,991
<u>Less</u> Accumulated amortization	(13,370)	(10,789)
Net book value	58,537	41,202
As at 31 December 2017:		
Cost	55,869	34,299
<u>Less</u> Accumulated amortization	(6,846)	(6,312)
Net book value	49,023	27,987

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	49,023	27,596	27,987	27,596
Acquisition of computer software	16,038	25,113	17,691	3,543
Amortisation	(6,524)	(3,686)	(4,476)	(3,152)
Net book value at end of year	58,537	49,023	41,202	27,987

13. Short-term loans from financial institution

(Unit: Thousand Baht)			
	Interest rate (percent per annum)	Consolidated financial statements/ Separate financial statements	
		<u>2018</u>	<u>2017</u>
Short-term loans from financial institutions	2.2% - 2.6%	660,000	700,000
Total		<u>660,000</u>	<u>700,000</u>

These short-term loans are unsecured.

14. Trade and other payables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Related parties</u>				
Account payables for purchases of equipment	20,067	36,181	19,590	36,181
Other payables	16,946	1,768	77,941	34,509
Accrued expenses	2,513	1,725	4,198	2,567
	<u>39,526</u>	<u>39,674</u>	<u>101,729</u>	<u>73,257</u>
<u>Unrelated parties</u>				
Trade payables	316,364	318,801	315,911	318,634
Other payables	239,597	229,178	239,496	229,001
Advance received from customer	355	260	355	260
Accrued expenses	163,573	182,088	160,884	180,198
	<u>719,889</u>	<u>730,327</u>	<u>716,646</u>	<u>728,093</u>
Total trade and other payables	<u>759,415</u>	<u>770,001</u>	<u>818,375</u>	<u>801,350</u>

During 2018, the Company reversed other payables of approximately Baht 163 million (2017: Baht 123 million). Such other payables were credit top-up amount for prepaid phone that customers have not used for a period of more than 1 year amounting to approximately Baht 35 million (2017: Baht 34 million) and the amount from unsuccessful money top-up for which customers did not claim the refund for more than 1 year amounting to approximately Baht 128 million (2017: Baht 89 million) to other income in profit or loss.

15. Long-term loans

				(Unit: Thousand Baht)	
				Consolidated / Separate	
				financial statements	
Loan	Credit facility (Million Baht)	Interest rate (%)	Repayment schedule	2018	2017
1	100	Fixed interest rate	36 monthly installments (ending in 2019)	8,333	41,666
2	200	Fixed interest rate	36 monthly installments (ending in 2019)	30,542	97,214
3	200	Refer to 1M THBFIX + a margin as stipulated in the agreement	36 monthly installments (ending in 2019)	63,889	130,556
4	200	Fixed interest rate	36 monthly installments (ending in 2020)	100,000	166,667
5	200	Refer to 1M THBFIX + a margin as stipulated in the agreement	36 monthly installments (ending in 2020)	119,445	186,111
6	200	Fixed interest rate	36 monthly installments (ending in 2020)	116,600	183,320
7	200	Fixed interest rate	33 monthly installments (ending in 2020)	146,600	-
Total				584,809	805,534
<u>Less: Current portion</u>				<u>(380,373)</u>	<u>(375,059)</u>
Long-term loans, net of current portion				<u>204,436</u>	<u>430,475</u>

15.1 In December 2017, the Company entered into an agreement with a local bank to obtain a long-term loan facility of Baht 200 million which fully drawn down in the first quarter of 2018. Interest is charged at fixed rate per annum. The loan is to be repaid in monthly installments over 33 periods (ending in 2020).

15.2 In 2016 and 2017, the Company entered into interest rate swap agreements of the loans credit facility No. 3 and No. 5 amounting to Baht 400 million to swap fixed interest rates as stipulated in the agreements in order to hedge the interest rate risk of these loans.

15.3 The loan agreements contain several covenants which, among other things, the Company has to comply with certain conditions stipulated in the loan agreements pertaining to matters such as the maintenance of financial ratio, creation of liabilities, and significant changes in the shareholders' structure or management etc.

16. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Provision for long-term employee benefits				
at beginning of year	3,228	2,046	3,228	2,046
Included in profit or loss:				
Current service cost	1,410	1,069	1,410	1,069
Interest cost	168	113	168	113
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	10,586	-	10,586	-
Financial assumptions changes	(4,635)	-	(4,635)	-
Experience adjustments	(3,526)	-	(3,526)	-
Provision for long-term employee benefits				
at end of year	<u>7,231</u>	<u>3,228</u>	<u>7,231</u>	<u>3,228</u>

The Company expects no payment of long-term employee benefits during the next year (2017: nil).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 28 years (2017: 27 years).

Significant actuarial assumptions are summarised below:

	Consolidated/Separate	
	financial statements	
	<u>2018</u>	<u>2017</u>
	(% per annum)	(% per annum)
Discount rate	2.7	3.6
Future salary increase rate	7.5	10.0
Turnover rate	0 - 22.9	5.0 - 24.6

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

	(Unit: Thousand Baht)			
	2018		2017	
	Consolidated/Separate financial statements		Consolidated/Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,416)	1,810	(467)	571
Salary increase rate	1,713	(1,378)	563	(472)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(96)	132	(431)	549

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 2.1 million (The Company only: Baht 2.1 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the profit or loss of the period in which the law is effective.

17. Income from rendering of services through online top-up machines

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Total receipt amount from rendering of top-up service for prepaid phone and receipt of other online services	41,616,610	35,894,029	41,590,986	35,867,078
Less: Cost of prepaid phone and receipt of other online services which is cost of telephone network operators and online service providers	(39,699,175)	(34,145,508)	(39,699,175)	(34,145,508)
Income from rendering of services through online top-up machines	<u>1,917,435</u>	<u>1,748,521</u>	<u>1,891,811</u>	<u>1,721,570</u>

During the years ended 31 December 2018 and 2017, the Company received amount through online top-up machines as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Total receipt amount through online top-up machines	41,980,691	36,174,639	41,593,243	36,145,807

18. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Corporate income tax charge	78,612	68,165	76,525	67,883
Adjustment in respect of current income tax of previous year	-	(2,031)	-	(2,031)
Write-off withholding tax deduced at source	-	330	-	330
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,390)	(258)	(993)	(112)
Income tax expense reported in the statement of comprehensive income	<u>77,222</u>	<u>66,206</u>	<u>75,532</u>	<u>66,070</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial loss	485	-	485	-

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit before tax	658,032	607,533	650,330	612,758
Applicable tax rate (%)	20	20	20	20
Accounting profit before tax multiplied by income tax rate	131,606	121,507	130,066	122,552
Write-off withholding tax deducted at source	-	330	-	330
Deferred tax which was not recognised during the prior year but was utilised during the year	-	(172)	-	-
Adjustment in respect of income tax of previous year	-	(2,031)	-	(2,031)
Effects of:				
Non-deductible expenses	1,210	909	1,064	818
Additional expense deductions allowed	(56,267)	(56,237)	(55,598)	(55,599)
Expected unused tax loss	673	785	-	-
Others	-	1,115	-	-
Total	(54,384)	(53,428)	(54,534)	(54,781)
Income tax expenses reported in the statement of comprehensive income	77,222	66,206	75,532	66,070

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax assets				
Provision for long-term employee benefits	1,446	646	1,446	646
Allowance for deterioration / loss of equipment	1,390	659	1,337	659
Others	490	146	-	-
Total	3,326	1,451	2,783	1,305

19. Earnings per share

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

The following table sets forth the computation of basic earnings per share:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the year (Thousand Baht)	583,105	542,896	574,799	546,688
Weighted average number of ordinary shares (Thousand shares)	787,730	800,000	787,730	800,000
Earnings per share (Baht per share)	0.74	0.68	0.73	0.68

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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent 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:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Benefit sharing to service representatives	1,825,436	1,728,645	1,808,796	1,710,988
Depreciation and amortisation	547,120	459,086	528,070	443,643
Salaries and wages and other employee benefits	114,677	107,943	111,743	105,423
Service fees for data transfer system	101,173	83,260	100,931	83,130
Bank charge of money transfer service	137,795	78,223	137,795	78,223
Repaired expenses for top-up machines	46,553	52,504	46,553	52,504

22. Segment information

The one main reportable operating segment of the Company and its subsidiary is rendering of top-up service for prepaid phone, receipt of other online services advertising services through online top-up machines and rendering of service relating to online top-up machines and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the fund monthly at a rate of 3 percent of basic salary. The fund, which is managed by and American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 1.3 million (2017: Baht 1.2 million) were recognised as expenses.

24. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2016	2017 Annual General Meeting of the shareholders on 31 March 2017	200,000	0.25
Interim dividend paid from profit for the six-month period ended 30 June 2017	The Board of Directors' Meeting on 10 August 2017	200,000	0.25
Total for 2017		400,000	0.50
Dividends for 2017	2018 Annual General Meeting of the shareholders on 20 April 2018	239,949	0.30
Interim dividend paid from profit for the six-month period ended 30 June 2018	The Board of Directors' Meeting on 9 August 2018	234,008	0.30
Total for 2018		473,957	0.60

25. Treasury shares/appropriated retained earnings for treasury shares reserve

On 30 March 2018, the Board of Directors of the Company approved a share repurchase program for financial management propose with a budget of up to Baht 300 million, to repurchase no more than 20 million shares (par value of Baht 0.50 each), which accounts for not more than 2.5 percent of the total number of shares in issue. The shares are to be repurchased on the Stock Exchange of Thailand from 18 April 2018 to 17 October 2018. The share resale period is determined after 6 months from the completion date of share repurchase but no later than 3 years.

During the second quarter of the current period, the Company has purchased back 19,961,100 ordinary shares (par value of Baht 0.5 each), or 2.5 percent of total number of shares in issue, a total of approximately Baht 187 million and the Company has already appropriated the required amount of retained earnings to a reserve for the treasury shares amounting to approximately Baht 187 million.

Subsequently, on 8 October 2018, the Company additionally purchased back 38,900 ordinary shares (par value of Baht 0.5 each), a total of approximately Baht 0.3 million, as a result, the Company has fully purchased its treasury shares which was approved by the Board of Directors Meeting.

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2018, the Company had capital commitments of approximately Baht 2 million (2017: Baht 14 million), relating to the equipment and improvement of office building.

26.2 Operating lease commitments

The Company has entered into lease agreements in respect of the lease of buildings and office equipments. The terms of the agreements are generally between 1 and 10 years. The Company had commitments in respect of the lease agreements as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2018</u>	<u>2017</u>
Payable within:		
In up to 1 year	18	20
In over 1 and up to 5 years	1	18
Over 5 years	1	1

26.3 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 118 million (2017: Baht 79 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

26.4 Other commitments

As at 31 December 2018, the Company and its subsidiary had commitments of Baht 22 million (2017: Baht 46 million) in respect of purchased goods.

27. Financial instruments

27.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise cash and cash equivalents, accrued income and other receivables, trade and other payables, short-term loans from financial institutions, long-term loans and retention received from service representatives. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company and its subsidiaries are principally engaged in rendering of top-up service for prepaid phone, receipt of other online services and advertising services through online top-up machines. The Company and its subsidiaries exposure to credit risk is thus expected to be minimal.

Interest rate risk

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

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2018

	Fixed interest rates					Total	Interest rates (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rates	Non- interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	244	44	288	0.30 - 0.90
Accrued income and other receivables	-	-	-	-	893	893	-
	-	-	-	244	937	1,181	
Financial liabilities							
Short-term loans from financial institution	660	-	-	-	-	660	2.20 - 2.60
Trade and other payables	-	-	-	-	759	759	-
Long-term loans	380	204	-	-	-	585	3.80 - 4.00
Retention received from service representatives	-	-	-	-	597	597	-
	1,040	204	-	-	1,356	2,601	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2017

	Fixed interest rates					Total	Interest rates (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rates	Non- interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	230	52	282	0.13 - 1.50
Accrued income and other receivables	-	-	-	-	781	781	-
	-	-	-	230	833	1,063	
Financial liabilities							
Short-term loans from financial institution	700	-	-	-	-	700	2.30 - 2.50
Trade and other payables	-	-	-	-	770	770	-
Long-term loans	375	430	-	-	-	805	3.80 - 4.00
Retention received from service representatives	-	-	-	-	614	614	-
	1,075	430	-	-	1,384	2,889	

(Unit: Million Baht)

Separate financial statements as at 31 December 2018

	Fixed interest rates					Total	Interest rates (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rates	Non- interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	223	44	267	0.30 - 0.90
Accrued income and other receivables	-	-	-	-	914	914	-
	-	-	-	223	958	1,181	
Financial liabilities							
Short-term loans from financial institution	660	-	-	-	-	660	2.20 - 2.50
Trade and other payables	-	-	-	-	818	818	-
Long-term loans	380	205	-	-	-	585	3.80 - 4.00
Retention received from service representatives	-	-	-	-	595	595	-
	1,040	205	-	-	1,413	2,658	

(Unit: Million Baht)

Separate financial statements as at 31 December 2017

	Fixed interest rates					Total	Interest rates (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rates	Non- interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	220	52	272	0.13 - 1.50
Accrued income and other receivables	-	-	-	-	791	791	-
	-	-	-	220	843	1,063	
Financial liabilities							
Short-term loans from financial institution	700	-	-	-	-	700	2.30 - 2.50
Trade and other payables	-	-	-	-	801	801	-
Long-term loans	375	430	-	-	-	805	3.80 - 4.00
Retention received from service representatives	-	-	-	-	611	611	-
	1,075	430	-	-	1,412	2,917	

27.2 Fair values of financial instruments

Since the majority of the Company financial instruments are short-term in nature or the 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 statements of financial position.

The estimated fair value of the derivative is as follows:

	(Unit: Million Baht)	
	2018	2017
	Fair value	Fair value
Derivatives	Loss	Loss
Interest rate swap contracts	0.34	0.20

The interest rate swap contracts used the fair value level 2.

28. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 2.1:1 (2017: 2.2:1) and the Company's was 2.2:1 (2017: 2.2:1).

29. Event after the reporting period

29.1 On 4 February 2019, Forth Smart Trading Company Limited (the subsidiary) called up remaining 62.5 percent of the par value of the increase of its share capital from the Company of Baht 125 million, and the Company will pay such amount within February 2019.

29.2 On 14 February 2019, the Company's Board of Director's meeting passed a resolution to propose the Annual General Meeting of Shareholders approve a dividend payment at Baht 0.62 per share from the 2018 operating results. In this regard, the Company already paid an interim dividend at Baht 0.30 per share, totaling Baht 234 million, during the year 2018 to the shareholders, therefore the remaining dividend payable will be Baht 0.32 per share, or totaling Baht 250 million.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 14 February 2019.

Operational Summary in FY18

2018 Operational Summary

- Total revenue from core business was Bt3,339mn, increasing 7.5% YoY
- Net profit was Bt583mn, increasing 7.4% YoY
- Number of "Boonterm kiosk" was 130,053, increasing 4.3% YoY
- Total usage amount was Bt41,980mn, increasing 16.1% YoY
- Total average number of money transfer transactions per day was 30,006 transactions, increasing 30.1% YoY

Business Overview

	Quarter 4/2017	Quarter 1/2018	Quarter 2/2018	Quarter 3/2018	Quarter 4/2018	Y.2017	Y.2018	%YoY
Total usage amount through "Boonterm Kiosk" (Million Baht)	10,084	10,421	10,611	10,506	10,442	36,175	41,980	16.1%
Total number of "Boonterm Kiosk" as the period ended (Kiosk)	124,653	130,404	129,948	130,109	130,053	124,653	130,053	4.3%
Total average number of money transfer transactions (per day)	23,062	25,985	27,287	28,689	30,006	23,062	30,006	30.1%

Over view in 2018, FSMART continued to grow from last year and able to maintain its No. 1 position in the online top up machine business, both in terms of number of kiosks and total usage amount. The Company's strategy continues to focus on the performance of Boonterm kiosk with the ARPU management more than 5% of growth from 2017 and relocating the kiosks from the area that generate low income to the new area that generate higher income. As well as adding new services on the kiosks to meet customers' needs and serve more convenient for the customers and also gradually launches promotional campaigns, which has been well received by our customers, in order to encourage new customers and retain our existing customer base. The Company is still working on plan and can achieve goals

Operating results in 2018, the company had a total of 130,053 Boonterm kiosks, an increase of 4.3% YoY. The total usage amount slightly grown from the previous year. The money transfer service increased continuously as well as other services such as top-up to E-Wallet top-up and other bill payment. The total usage amount was Bt41,980mn, an increase of 16.1% YoY. The average number of money transfer transactions was 30,006 transactions per day, an increase of 30.1% YoY. Total revenue from core businesses was Bt3,339mn, an increase of 7.5% YoY, and net profit of Bt583mn, an increase of 7.4% YoY with 23 million subscribers and 2.01 million transactions per day.

The company continues to focus on relocating Boonterm kiosks from low potential locations to higher potential locations and expand the number of kiosks efficiently and new services are added to encourage more service usage such as increasing the number of banks transfer, bill payments for both public and private agencies, accumulation of savings into the National Savings Fund, purchase folk songs as well as voting for favorite singers, Etc. all of which therefore result in the still growing well of the total usage amount.

Financial Summary in FY18

Income Statement

Income Statement	Q4/2017		Q3/2018		Q4/2018		%QoQ	%YoY	Y 2017		Y 2018		%YoY
	MB	%	MB	%	MB	%			MB	%	MB	%	
Income from rendering of top-up service for prepaid phone and other online service (Commission)	353.01	42.4%	346.47	41.7%	339.36	41.4%	-2.1%	-3.9%	1,344.87	43.3%	1,400.54	41.9%	4.1%
Income from rendering of service through online top-up machines "Boonterm kiosk" (Service Charge)	475.20	57.1%	481.31	57.9%	472.76	57.7%	-1.8%	-0.5%	1,748.52	56.3%	1,917.43	57.4%	9.7%
Advertising income	4.61	0.6%	4.04	0.5%	7.15	0.9%	77.0%	55.1%	11.54	0.4%	21.07	0.6%	82.6%
Total revenue from core business (3 items)	832.82	100.0%	831.82	100.0%	819.27	100.0%	-1.5%	-1.6%	3,104.93	100.0%	3,339.04	100.0%	7.5%
Cost of services	(658.51)	-79.1%	(655.73)	-78.7%	(652.92)	-79.7%	-0.4%	-0.9%	(2,373.50)	-76.4%	(2,631.21)	-78.8%	10.9%
Gross profit	174.31	20.9%	176.09	21.2%	166.35	20.3%	-5.5%	-4.6%	731.43	23.6%	707.83	21.2%	-3.2%
Service & Administrative expenses	(86.99)	-10.5%	(58.49)	-7.0%	(56.57)	-6.9%	-3.3%	-35.0%	(270.06)	-8.7%	(242.16)	-7.3%	-10.3%
Operating profit	87.32	10.5%	117.60	14.1%	109.78	13.4%	-6.7%	25.7%	461.37	14.9%	465.67	14.0%	0.9%
Other income	59.08	7.1%	59.99	7.2%	64.20	7.8%	7.0%	8.7%	198.19	6.4%	252.72	7.6%	27.5%
Sales profit	0.61	0.1%	0.87	0.1%	0.26	0.0%	-70.1%	-57.4%	4.66	0.2%	1.65	0.1%	-64.6%
Profit before finance cost and income tax expenses	147.01	17.7%	178.46	21.5%	174.24	21.3%	-2.4%	18.5%	664.22	21.4%	720.04	21.6%	8.4%
Bank Charge	(5.97)	-0.7%	(3.76)	-0.5%	(3.16)	-0.4%	-16.0%	-47.1%	(24.23)	-0.8%	(18.32)	-0.6%	-24.4%
Interest Expenses	(10.60)	-1.3%	(11.13)	-1.3%	(10.37)	-1.3%	-6.8%	-2.2%	(32.46)	-1.1%	(43.69)	-1.3%	34.6%
Profit before income tax expenses	130.44	15.7%	163.57	19.7%	160.71	19.6%	-1.8%	23.2%	607.53	19.6%	658.03	19.7%	8.3%
Income tax expense	(9.17)	-1.1%	(18.96)	-2.3%	(19.07)	-2.3%	0.5%	108.0%	(66.21)	-2.1%	(77.22)	-2.3%	16.6%
Net profit	121.27	14.6%	144.59	17.4%	141.64	17.3%	-2.0%	16.8%	541.32	17.4%	580.81	17.4%	7.3%
Non-controlling interests of the subsidiaries	(1.09)	-0.1%	(0.83)	-0.1%	(0.64)	-0.1%	100.0%	100.0%	(1.57)	-0.1%	(2.29)	-0.1%	100.0%
Net profit - Equity holders of the Company	122.36	14.7%	145.42	17.5%	142.28	17.4%	-2.2%	16.3%	542.89	17.5%	583.10	17.5%	7.4%

Total revenue

Total revenue from the core business in 2018 was Bt3,339.04mn, an increase of 7.5% compared to the previous year. The main factor was the increase in the number of new services on Boonterm kiosk that responded to the needs of customers. It was also a service point that facilitates the use of the service as well including the strategy of the company that focuses on managing the installation points of Boonterm kiosks with quality and expanding the efficient installation points. As a result, total prepaid value continued to grow continuously. In 4Q18, total revenue from core businesses was Bt819.27mn, a decrease of 1.6% YoY due to the slowdown of the grassroots economy. The details are as follows.

1) **Income from rendering top-up service for prepaid phone and other online services (Commission)** was Bt1,400.54mn, an increase of 4.1% YoY, due to the total usage amount increased from the new services added to Boonterm kiosk. In 4Q18, income from rendering top-up service for prepaid phone and other online services (Commission) was 339.36, a decrease of 3.9% YoY, due to the slowdown of the grassroots economy.

2) **Income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge)** was Bt1,917.43mn, an increase of 9.7% YoY, due to the growth of the number of transactions increased from new services added, especially, the money transfer service that has increased continuously. In 2018 increased Bank of Ayudhya. In 4Q18, income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge) was 472.76, a decrease of 0.5% YoY due to the slowdown of the grassroots economy.

3) **Advertising income** was Bt21.07mn, an increase of 82.6% YoY, since the situation in Thailand in 2017 is in a state of omission, festivals and entertainment media, as a result, and the advertising business has been affected both directly and indirectly. In 2018, the advertising business returned to normal operation. In 4Q18, the advertising revenue was Bt7.15mn, an increase of 55.1% YoY as a result of many companies was interested in place the advertising on the Boonterm kiosk more.

4) **Other income** was Bt252.72mn, an increase of 27.5% YoY. And in 4Q18, other income was Bt64.20mn, an increase of 8.7% YoY, according to the expansion of the number of Boonterm kiosk and more new services added.

Cost and Expenses

1) **Cost of services** in 2018 was Bt2,631.21mn or 78.8% of total revenue from core business, increased by 2.4% compared to 76.4% in the previous year. In 4Q18 the cost of services was Bt652.92mn an increase 0.6% YoY due to the depreciation ratio to the core revenue will tend to decrease from the kiosk that its useful life is 8 years.

2) **Service and administrative expenses** in 2018 was Bt242.16mn, equivalent to 7.3% of total revenue from core businesses. The proportion decreased by 1.4% compared to 8.7% in the previous year. In 4Q18, Service and administrative expenses were Bt56.57mn, a decrease of 3.6% YoY, due to promotion for expanding kiosks and more effective control of managing expenses.

Profit

1) **Gross profit** in 2018 was Bt707.83mn, a decrease of 3.2% compared to the previous year of Bt731.43mn, in 4Q18, the gross profit was Bt166.35mn, down 4.6% YoY due to the slowdown of the grassroots economy, the depreciation cost of and the improvement of the performance of the kiosk.

2) **Sales profit** in 2018 was Bt1.65mn, a decrease of 64.6% compared to the previous year of Bt4.66mn. In 4Q18, the profit from product sales was Bt0.26mn, a decrease of 57.4% YoY, mainly from, in 2018, the Company focused on the management strategy of installing Boonterm Kiosk while the year 2017 focused on expanding the installation points of Boonterm kiosk. This resulted in profits from the sale of related equipment to Boonterm kiosk such as roof stand, cement base, coin counting machine in 2017 higher than in 2018.

3) **Net profit** for the year 2018 was Bt583.10mn, an increase of 7.4% compared to Bt542.89mn in the previous year, in 4Q18 was Bt141.64mn a decrease of 16.8% YoY due to the Company adding new services and more effective cost management control.

Financial Position

Statement of Financial position	31-Dec-17		31-Dec-18		Increase (Decrease)	
	MB	%	MB	%	MB	%
Current assets	1,348.32	31.7%	1,430.87	36.5%	83	6.1%
Non-current assets	2,912.13	68.4%	2,485.33	63.5%	(427)	-14.7%
Total assets	4,260.45	100.0%	3,916.20	100.0%	(344)	-8.1%
Current liabilities	2,492.76	58.5%	2,452.98	62.6%	(40)	-1.6%
Non-current liabilities	433.70	10.2%	211.66	5.4%	(222)	-51.2%
Total liabilities	2,926.46	68.7%	2,664.64	68.0%	(262)	-9.0%
Total shareholders' equity	1,333.99	31.3%	1,251.56	32.0%	(82)	-6.2%
Total liabilities and shareholders' equity	4,260.45	100.0%	3,916.20	100.0%	(344)	-8.1%

As at December 31, 2018, FSMART had total assets of Bt3,916.20mn, a decrease of 8.1% YoY, due to the emphasizing in efficient Boonterm kiosk spot strategy in 2018 rather than emphasizing on expanding the kiosks. The lifetime of the kiosk is 8 years but can still be in use.

The total liabilities as at 31 December 2018 was Bt2,664.64mn, a decrease of 9.0% compared to the previous year with total liabilities decreased due to the Company paid off loans of long-term loans.

Total shareholders' equity as at December 31, 2018, was Bt1,251.56mn, decreased by 6.2% previous year due to the dividend payment of Bt473.96mn, treasury stock of Bt187.34mn and net profit of Bt583.10mn in 2018.

Key Financial Ratio

Financial Ratio	Quarter	Quarter	Quarter	Y.2017	Y.2018
	4/2017	3/2018	4/2018		
Current ratio	0.54	0.51	0.58	0.54	0.58
Debt to Equity ratio	2.19	2.47	2.13	2.19	2.13
Interest Bearing Debt ratio	1.13	1.21	0.99	1.13	0.99
Return on Asset	14.6%	13.9%	14.3%	14.6%	14.3%
Return on Equity	43.1%	46.0%	49.3%	43.1%	49.3%

As of December 31, 2018, the company had the current ratio of 0.58 times, increasing compared to the previous year from the reduced current liabilities due to repayment of long-term loans and current assets increased from increased cash and cash equivalents.

Debt to equity ratio was 2.13 times, decreased compared to the previous year from the decrease in long-term loans and the increase in shareholders' equity from net profit.

Interest-bearing debt to equity ratio was 0.99 times, decreased compared to the previous year from the decrease in long-term loans and the increase in shareholders' equity from net profit.

Return on assets was 14.3%, increased from the previous year from asset management to earning more efficiency.

Return on equity was 49.3%, increased from the previous year due to revenue growth, net profit, dividend payment and treasury stock.

2019 Management Outlook

- Emphasizing efficient Boonterm kiosk spot with the ARPU management more than 5% of growth from 2018
- Increasing 5,000 Boonterm kiosks nationwide to reach 135,053 kiosks at the end of 2019
- Managing the total usage amount through Boonterm kiosk to more than 10%, compared to 2018
- Developing the intelligent kiosk for selling sim card and Electronic Know Your Customer service (e-KYC)
- Expanding 2 new businesses: Personal Loan/Nano Finance and the service station for charging/replacing battery for electric motorcycle

The company emphasizes the efficiency of Boonterm kiosk spot with the ARPU management more than 5% of growth from 2018, total usage amount more than 10% YoY, and aims to increase 5,000 Boonterm kiosk to reach 135,053 kiosks nationwide at the end of 2019, As well as adding more new service continuously. In this year, the company expects to cooperate with 2 more commercial banks: Government Saving Bank (GSB) and Bangkok Bank (BBL) to add on our service, the money transfer service, which has already had 3 commercial banks such as Kasikorn Bank (KBANK), Krungthai Bank (KTB) and Bank of Ayudhaya (BAY). The company has emphasized in adding new services on Boonterm kiosk through the cooperation of various organizations, both from private and public sector, to let the Kiosk be a channel of service provider in order to response more varieties of customer needed than mobile top-up service. With more than 130,000 kiosk covering nationwide, along with service agents over the country, either in the city or upcountry. Resulting in easily and conveniently access for customer.

At present, Boonterm kiosk is a variety of service channels that covers all areas throughout the country and can reach customers. By the intention of the company in increasing the potential of Boonterm kiosk, the company has developed an intelligent kiosk that adds functionality of selling SIM cards, and authentication services (e-KYC) to support the opening of electronic bank accounts and SIM registration. This results in Boonterm's next step become the channel that can provide service and sell products in the same kiosk. Moreover, the company plans to expand 2 new businesses that are personal loan/Nano finance and the service station for charging/replacing battery for electric motorcycle. The personal loan/Nano finance business will be operated in the second quarter if the license is approved and the service station for charging/replacing battery for electric motorcycle, starting the first 10 service stations in Bangkok area, will be opened in 2H19 rely on the alliance Group.

The company continues to focus on developing "BeWallet", the company's e-Wallet mobile application, which can support both iOS and Android system. The service on Boonterm kiosk are also available on BeWallet application but BeWallet include the additional service that supports the payment system of the company's businesses such as e- Marketplace called "BeMall", vending machine and electric vehicle charging station. As well as support the other company's alliances businesses.

Furthermore, the development of the E-wallet application under the name "BeWallet" will facilitate the customers in making online payment and make the company penetrate new customer base and understand the customer's behavior, who demand for cashless payment. The company aims to retain customer who demand for cash payment through Boonterm kiosk and continue to expand the new customer base through BeWallet. This will make the company's revenue retain growth.

General Information

Information at 31 December 2018

Company Name	Forth Smart Service Public Company Limited (FSMART)
Head Office	256 Phaholyothin Road, Samsennai, Phayathai, Bangkok, 10400
Factory and warehouse	66/23-24 M.12, Factory Land Village 1 Soi 5, Phutthamonthon 5 Road, Raikhing, Sampran, Nakkon Pathom, 73210
Nature of business	The Company provides service for Electronic Payment, Settlement and e-Money
Founding date	3 December 2008
Company Registration Number	0107556000663
Paid-up Capital	400,000,000 Baht (800,000,000 common shares of Baht 0.5 par value)
Website	www.boonterm.com
Telephone / Fax	Telephone: 0-2278-1777 Fax: 0-2279-7195
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 2. Mr. Narong Puntawong CPA (Thailand) No. 3315 3. Ms. Sirirat Sricharoensup CPA (Thailand) No. 5419 EY Office Limited 193/136-137, 33 rd Floor, Lake Rajada Office Complex, Rajadapisek Road, Klongtoey, Bangkok, 10110 Tel. 0 2264 0777 Fax. 0 2264 0790
Internal Auditors	Chatchawin Pipatchotitham Acting Internal Audit Manager Forth Corporation Public Company Limited 1053/1 Phaholyothin Road, Phayathai, Phayathai, Bangkok, 10400 Tel. 0-2265-6700

“For more details of the Company, please refer to the Annual Registration Statements (Form 56-1) at www.sec.or.th or the Company’s website”



บริษัท ฟอर्थ สمارท์ เซอร์วิส จำกัด (มหาชน)

256, Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400

Tel: 0-2278-1777 Fax: 0-2279-7195