

Annual Report 2019

Forth Smart Service Public Company Limited



ANNUAL REPORT



11 YEARS ANNIVERSARY

2019

- SIM card kiosk distributor and e-KYC kiosk
- Personal Loan for Downline

2019

2018

- Development Boonterm kiosk to be "Genius Kiosk"

2017

- Established "Forth Smart Digital Co.,Ltd."
- Launched "BeMall" (e-Market place)
- Invested Box24 Co.,Ltd.

2017

2016

2016

- Established "Forth Smart Trading Co.,Ltd."
- Launched "BeWallet" (e-Wallet) service

2015

- Launched "RO Kiosk" and "Weight Scale"
- Invested in Forth Vending Co.,Ltd.

2015

2014

2014

- Listed in mai (Paid Capital THB 400mn)
- Launched "Boonterm Counter Service"

2013

- Spin-Off from Forth Corporation PCL.

2013

2009

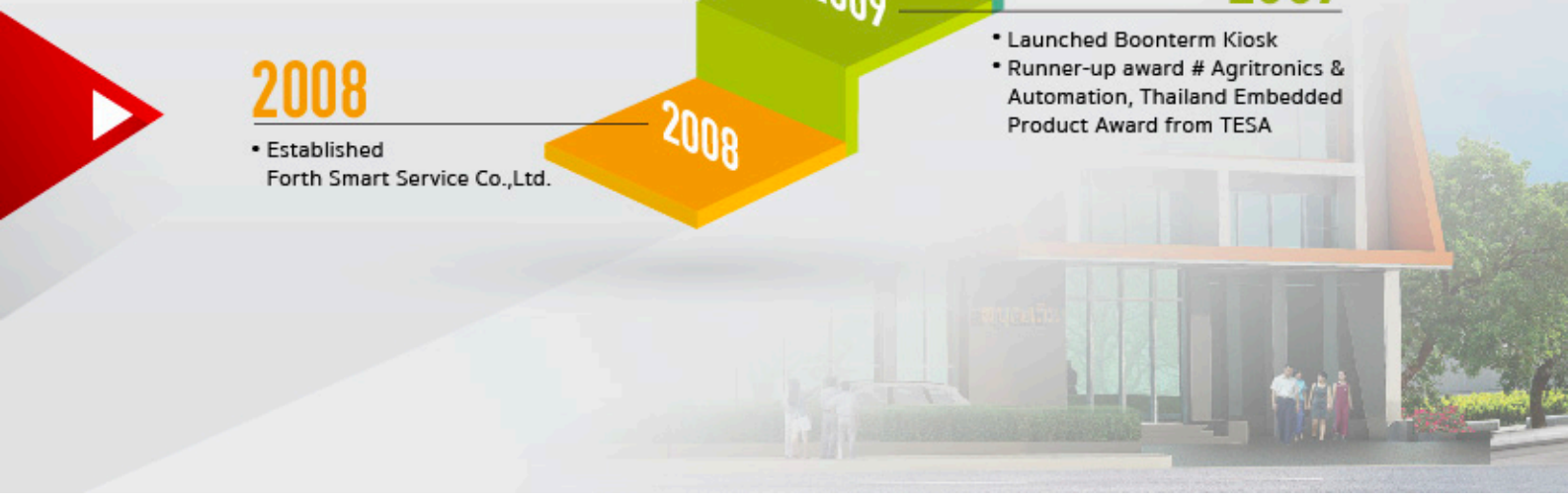
2009

2008

- Established Forth Smart Service Co.,Ltd.

2008

- Launched Boonterm Kiosk
- Runner-up award # Agritrionics & Automation, Thailand Embedded Product Award from TESA



► Overview

Financial Highlight	03
Business Highlight	04
Message of the Chairman of Board of Directors	06
Message of Chief Executive Officer	07
Shareholding Structure of the Group	10
Vision & Mission	12

► Our Business

Nature of Business, Products and Services	13
Highlights of Marketing Activities in 2018	18
Corporate Social Responsibility	23
Activities for the Sustainable Growth	24
Industry Conditions and Competition	25
FSMART Direction in 2019	26
Revenue Structure	27
Risk Factors	28

► Good Corporate Governance

Organization Structure	36
Board of Directors	37
Management Team	42
Management Structure	46
Shareholding Structure	62
The Company's Dividend Policy	63
Corporate Governance	64
Change of Shareholding of the Board of Directors and Executives	78
Prevention against Corruption Involvement	79
The Internal Control System and Risk Management	81
Corporate Social Responsibility	85
Related Transactions	86
Report of the Risk Management Committee	94
Report of the Audit Committee	95
Report of the Nomination and Remuneration Committee	97

► Financial Report

Report of the Board's Responsibility for the Financial Statements	98
Independent Auditor's Report	99
Management Discussion and Analysis	143

► Other Information

General Information	149
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Financial Highlight

Financial Highlight (Unit: Million Baht)

	2017	2018	2019
Total receipt amount through "Boonterm kiosk"	36,175	41,980	40,496
Total revenue from core business	3,105	3,339	3,147
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)	3,093	3,318	3,126
Gross profit	732	708	656
EBITDA	1,098	1,248	1,222
Net profit	543	583	584
Operating cash flows	1,106	882	968

Financial Statement (Unit: Million Baht)

	2017	2018	2019
Total assets	4,260	3,916	3,520
Interest-bearing debt	1,506	1,244	941
Total liabilities	2,926	2,665	2,185
Total shareholders' equity	1,334	1,251	1,335
Paid-up Capital	400	400	400

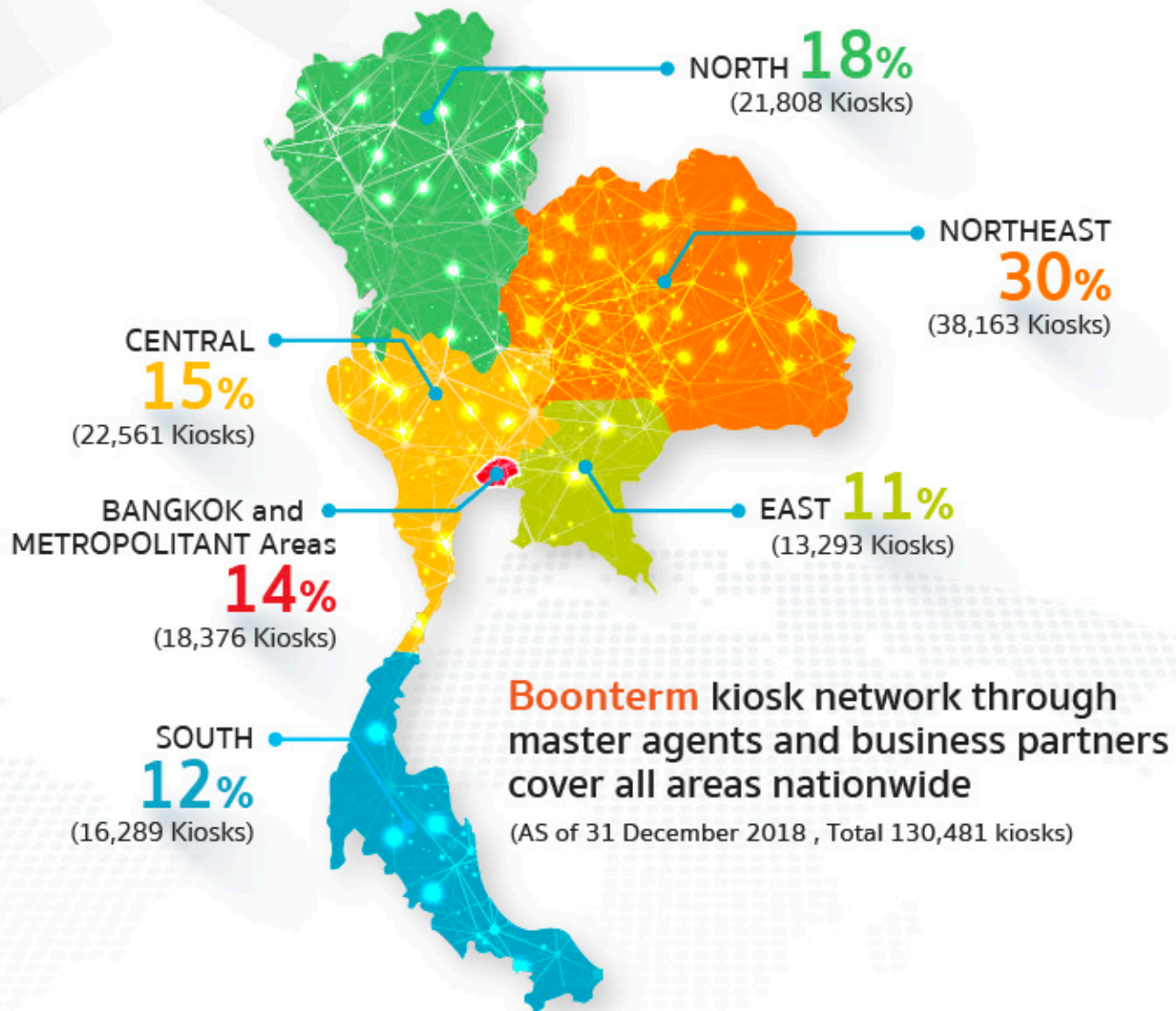
Financial Ratios

	2017	2018	2019
Gross Profit Margin (% of core business)	23.6%	21.2%	20.8%
EBITDA margin (% of core business)	35.4%	37.4%	38.8%
Net profit margin (% of core business)	17.5%	17.5%	18.6%
ROA (%)	16.7%	16.4%	15.0%
ROE (%)	46.2%	47.9%	43.8%
Interest-bearing Debt : Equity (times)	1.1	1.0	0.7
Net Debt to Equity (times)	2.2	2.1	1.6
Net Debt to EBITDA (times)	2.7	2.1	1.8

"Boonterm kiosk"

	2017	2018	2019
No. of kiosks	124,653	130,053	130,481
Accumulated value of an investment (MB)	3,926	4,007	4,010
Daily average transactions (transactions)	2,190,525	2,010,665	1,750,823

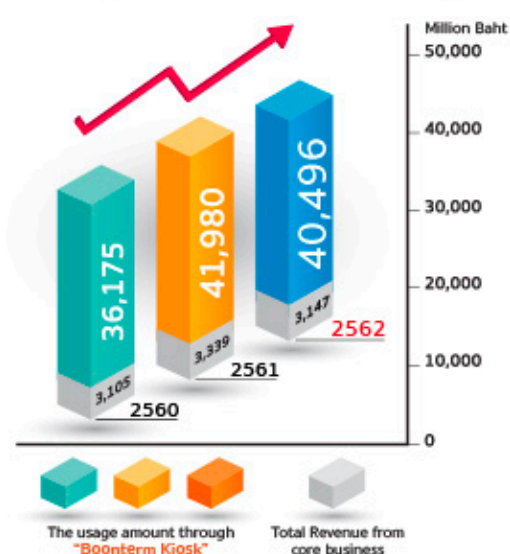
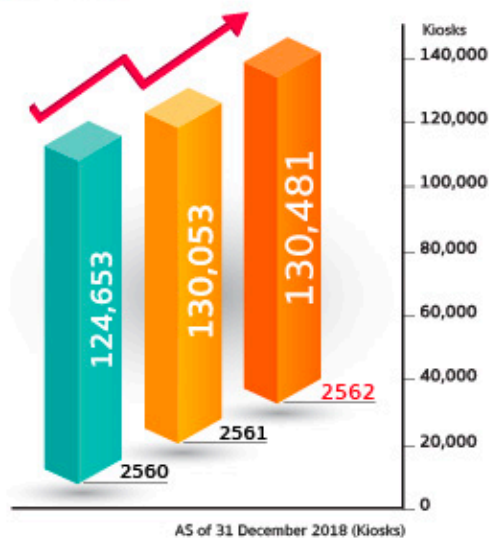
Business Highlight



No.1 Online Payment Service Provider in Thailand



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



► Business Highlight



“Boonterm” Network

Business Partners 17%



Message from the Chairman of the Board of Director



Mr. Pichit Nimkul

Chairman of the Board of Director

“ In the year 2019, Forth Smart Service Public Company Limited ("FSMART") continued to conduct business with determination to develop businesses to provide convenience services to all communities and maintain leadership in the automated service business under the trademark **สุขใจเดิม** ”

For the year 2019, it was another challenging year for the Thai economy but FSMART has transformed the challenge into an opportunity to continually develop the best products and services of the company. When technology plays a role and has a significant influence on the lifestyle of consumers. Thus, payment with various forms or the need for services that increase convenience and speed grows higher. FSMART is well aware of the changes and therefore has developed various new services by focusing on offering products and services that provide more convenient to customers, expanding the business to become a full-service provider of automatic and financial channels. At the same time, maintaining the existing customer base by offering promotions for users through the "Boonterm kiosk" throughout the year.

FSMART has taken advantage of technological changes into business management as well as providing training to increase management capability and increase the potential of service representatives and online system development for customers' convenient, fast and accurate services as well as a convenient 24- hour customer service system. This causes FSMART to be able to consistently maintain its business leadership, as can be seen from the number of service points covering all areas of the country.

In this regard, FSMART still demonstrates its strong determination to conduct business with integrity under the awareness and confidence among all stakeholders that FSMART has managed correctly, transparently and verifiable by product development and quality services, building credibility for users, promoting the development of human potential to have knowledge and expertise. These will lead to sustainable growth of the company. In addition, FSMART is also involved in social responsibility by providing opportunities for the disabled to have an income in the past year, FSMART had provided financial support to the severely disabled by the Chuen Jai Vending project located in the industrial estate area.

Finally, I, as a representative of Forth Smart Service Public Company Limited ("FSMART") would like to thank all shareholders, investors, customers, financial institutions, service representatives and business partners that has always supported the company and I would like all shareholders to be confident that FSMART will perform their duties with determination under good governance taking into account all groups of stakeholders and thank the board of directors, executives and staff with the dedication of both strength and energy to led us to become a leader in the network of automatic and financial service channels that are comprehensive, easy to use, convenient, fast and completely safe as well as creating consistent returns for all shareholders.

► Message from the Executive Chairman

Year 2019 is the year that Forth Smart Service Public Company Limited ("FSMART") has grown steadily with new products and services that reach more customers. From the determination and intention of the management team including all employees that have joined together to perform duties in order to meet the needs and convenience of the users via Boonterm kiosks nationwide and with the service quality that is fast, reliable from the online system of efficiency and precision in management. Therefore, it has always been trusted by customers who use the service extensively and consistently. This enables FSMART to maintain its leadership in the number of service points and usage values of the online top-up market.

“ As for the performance of FSMART in 2019, it still maintained the market leadership with service values through Boonterm kiosks totaling over 40,000 million baht. By the end of 2019, there were more than 130,000 Boonterm kiosks distributed throughout the country. ”

FSMART has more than 21 million customers and more than 2 million transactions per day resulting in total revenue of over 3,400 million baht and net profits of 584 million baht, reflecting FSMART's commitment to developing business strategies and establishing a stable foundation. In order to meet the diverse needs of customers, FSMART has continuously developed software systems to respond to the of users and be able to manage kiosks efficiently in order to build strength for Boonterm kiosk business.

In the year 2019, FSMART introduced a new service, loan payment, paying traffic fines, depositing money into the National Savings Fund (NSF), the BAAC savings lottery, paying social security contributions and AXA Insurance to maintain the leadership and aiming to be the leader of an automated kiosk and financial service network. In addition, the service is also stimulated through the Boonterm kiosk by arranging promotions for customers throughout the year.

For the year 2020, FSMART still concentrates in quality locations and increases the value of the service through Boonterm kiosks to grow with the strategy of new services. There are new businesses being developed through Boonterm kiosk, such as SIM mobile distribution services. Customers can buy a mobile SIM with registration and top-up to immediately use the phone number. Increasing the e- KYC service for opening an e- wallet account and accepting deposits, withdrawing money and transferring money into bank accounts which make FSMART the leader in Banking Agent service with 6 commercial banks in Thailand. FSMART offers Personal Loans, providing credit facilities to Boonterm's service agents, employee of the service representative and employees of FSMART and its affiliates in order to create a linkage between the company's ecosystem, while FSMART will have a complete customer database to create added value in the future.

FSMART has improved and developed service forms to support changing customer behavior in the future. It has increased convenience by expanding vending machines points, Coffee vending machine to support the growth of new technology, FSMART has developed an electric motorcycle battery charging and replacement station / EV Charger, allowing FSMART to expand more new customer bases.

Lastly, on behalf of the Executive Committee Chairman, thank you to the shareholders, customers, business partners who has always given confidence and support as well as all executives and employees who work with determination, ready to jointly develop the organization to move forward without boundless boundaries and create added value in the business. By 2020, FSMART will continue to focus on the development of management and operations capabilities in order to be the leader of an automated kiosk and financial service network – being user friendly, convenient, efficient and secured, including sustainable growth.



A handwritten signature in black ink, appearing to be 'Pongchai Amatanon', written over a white background.

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 Kraisor 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



Mr. Tnutpong Soisuwan

Business Development /
Marketing Assistand Director



Ms. Rungrawee Bangkul

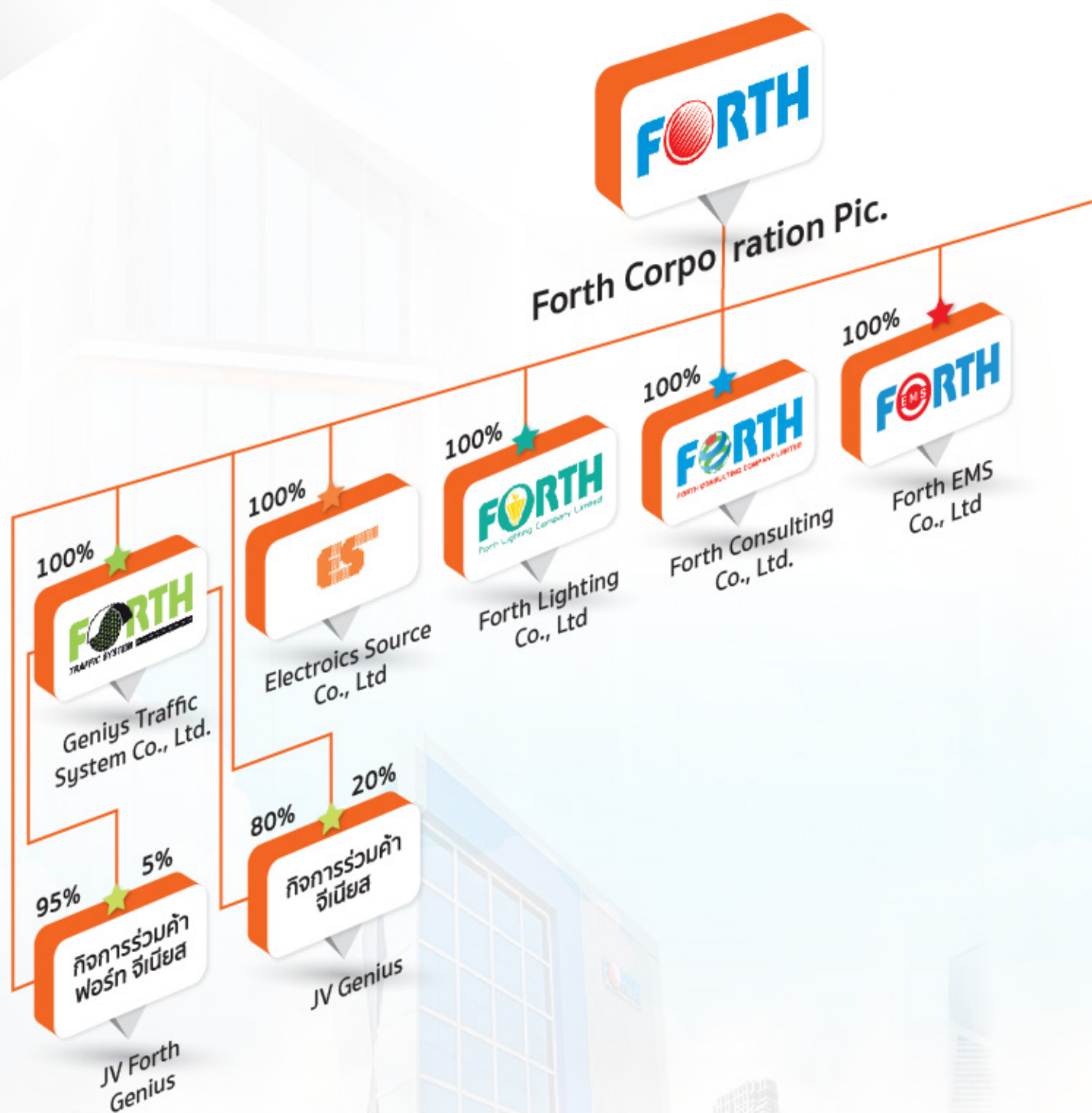
Senior Finance Manager /
Company Secretary

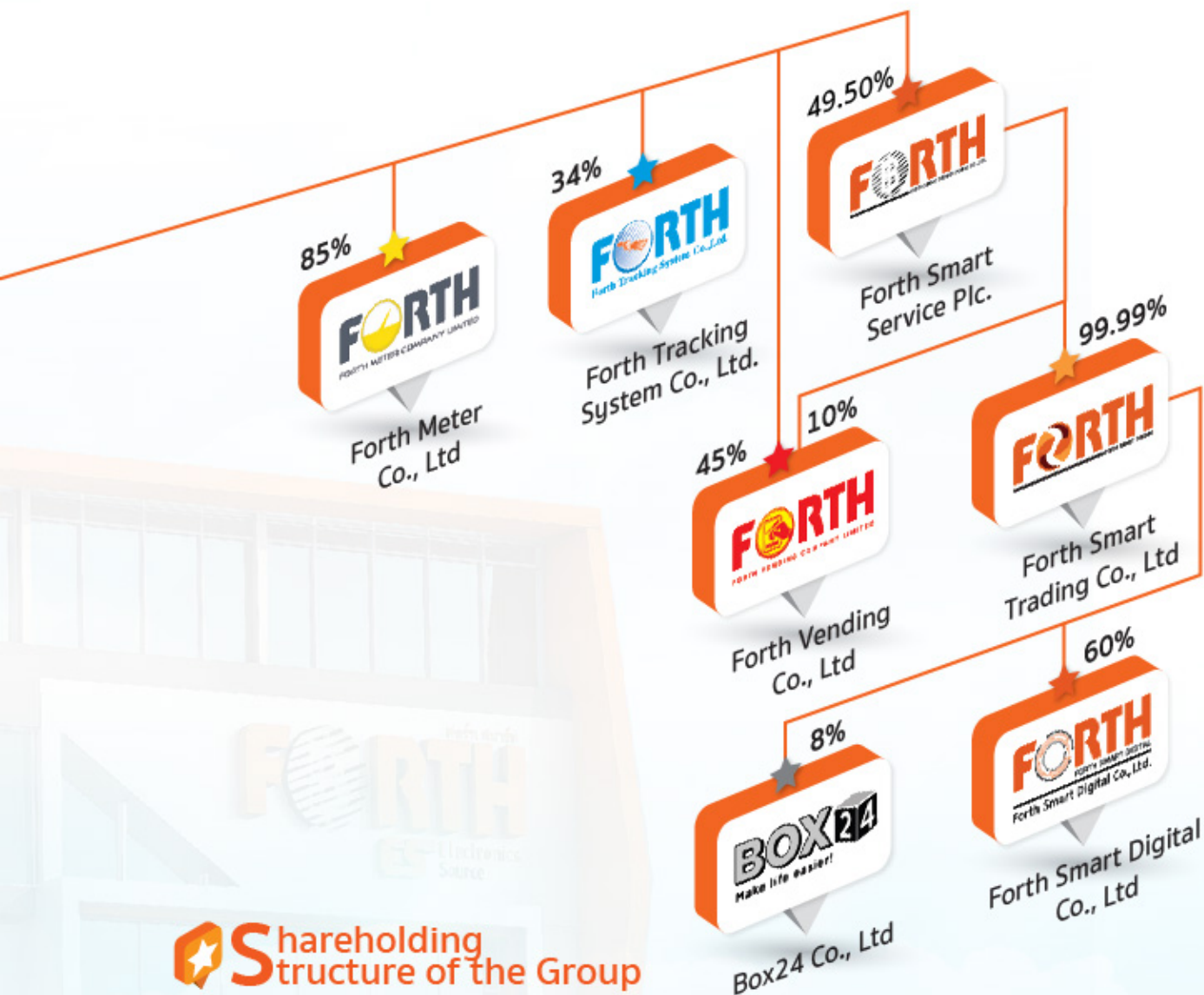


Mr. Sarawut Pacharoen

Senior Agent Service Manager

Shareholding Structure of the Group





Shareholding structure of the Group

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

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Vision, Mission and Objective (2020)

Vision

To be the leader of an automated kiosk and financial service network - being user friendly, convenient, efficient, and secured.

Mission

- To expand kiosk network to offer services for people in every community.
- To develop new services to serve different needs of customers.
- To improve current services for greater quality, user friendliness, and efficiency.
- To ensure a full confidence of customers, business partners, and service agents in the ecosystem.
- To be the most efficient and competitive cost player in the industry.
- To build an organization culture with determination and creativity.
- To create sustainable values among shareholders, customers, business partners, employees, and community.

Note : The Board of Directors Meeting No. 6/2019, held on December 19, 2019, passed a resolution to review, improve and approve Vision, Mission and Objectives of company with the current situation from "The most convenient point of transactions" to be "To be the leader of an automated kiosk and financial service network - being user friendly, convenient, efficient, and secured."

Forth Smart Service Public Company Limited is the business operator that provides for electronic payment service, cash deposit, e-Money and prepaid mobile top up and online bill payment through our online top-up machine or Boonterm kiosk under trademark of **မုပုဂ်လီယံ** with a variety of services, such as mobile prepaid top-up services, electronic money top-up services (e-Wallet), bank deposit services, Line Sticker sales service, utility Bill payment services, credit card loans, payment services for goods and other services, etc.

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, CJ Supermarket, SPAR Supermarket, BMTA, 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 more than 130,000 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.

The company focuses on strengthening the Boonterm kiosk business including adding new services, such as increasing the number of banks for deposit services into bank accounts, improving the efficiency of the kiosk eg. developing Boonterm kiosks to sell SIM CARD and providing full e-KYC Services and other services, including using the business advantages of the company to expand into new businesses by focusing on growing into a full financial service provider as well as developing the Boonterm kiosk business to be a network of automated service channels with a variety of formats in order to provide more complete services for new products and services.



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 80 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 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.



Products and Services



● Boonterm with Mobile operator SIM

- ▶ 10" touch screen with eye-catching colorful display and SIM card slot and ID card reader in stand in front of the Boonterm Kiosk.
- ▶ 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.
- ▶ Identity verification system (e-KYC) with ID card reader with biometric technology by face recognition, compare image data from ID card
- ▶ Can select SIMs' type and promotion.
- ▶ Already used SIMs
- ▶ The Remote upgrade system provided by the service center enhances other add-on services or future sale promotion.
- ▶ Boonterm Call Center number 1220 available daily 24 hours.

● 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 80 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 2019

At the end of 2019, Boonterm kiosk has more than 80 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.

Government Savings Bank Deposit and Payment Service

The company collaborates with the Government Savings Bank to provide payment services for installment payments and loan payments of the Government Savings Bank via Boonterm kiosk which is another service of the bank group that Boonterm has been appointed to be the payment agent and Boonterm is another option that facilitates financial transaction for Boonterm customers. Boonterm provide loan payment service to the Government Saving Bank 24 hours a day starting from February 2019



And in the next phase, the Government Savings Bank aims to promote and create innovative services for money deposit / transfer services. Therefore they join with Boonterm to open the deposit service via Boonterm kiosk through the project "Good kids save free at top-up machines throughout Thailand." Children aged 7-20 years, deposit free of charge. It is another way for customers to transfer money into the bank account conveniently 24 hours a day with the opening of the deposit service into the Government Savings Bank account starting in April 2019.



ฝากเงินกับธนาคารออมสินผ่านตู้บุญเต็ม ได้ผลทั่วประเทศ
เยาวชนอายุ 7-20 ปี ออมฟรี! ไม่เสียค่าธรรมเนียม

Loan Payment Service via Online Boonterm

The company has opened a revolving loan service for Boonterm customers in order to invest money for a career or spend on various purposes as needed in which customers pay installments via Boonterm kiosk. Since Boonterm has foreseen the speed and accuracy of information, therefore, it has developed an online loan payment system to facilitate loan payments and customers can adjust the amount of payments in real time. The loan payment service via Boonterm is to start in November 2019.



Grammy music purchase service

The company collaborates with Grammy or GMM Grammy Public Company Limited to provide services for purchasing songs of artists in Grammy labels via Boonterm kiosk as another channel and option for Boonterm customers to choose to buy new hits and new songs monthly. The service is available for download and listening in the Android operating system with the format for Boonterm and Grammy customers to choose to buy both single songs, 10 albums and 50 albums. The service is available for purchase in August. 2019.



Deposit and lottery purchase services for BAAC Bank

The company collaborates with BAAC or the Bank for Agriculture and Agricultural Cooperatives to open the deposit and purchase lottery services of the bank via Boonterm kiosk to be one more channel for choosing services, this is to facilitate the service especially for customers in agricultural section, members of the BAAC by transferring money into a bank account and buy lottery conveniently 24 hours a day. The Deposit and lottery purchase services are available in October 2019





AXA Insurance purchase service

The company collaborates with AXA or AXA Insurance Public Company Limited, which is one of the new insurance services that offers accident insurance coverage. This new insurance provides a coverage limit of up to 100,000 baht and every package chosen for insurance coverage will receive an additional coverage of 10,000 baht for 1 month. Customers can purchase this coverage insurance via Boonterm 24 hours a day at more than 130,000 Boonterm service points nationwide starting from December 2019.



Service to buy sound clips of happiness wishes (Wishes from Grammy artists)

The company collaborates with Grammy or GMM Grammy Public Company Limited to offer the service of sending audio wishing and greeting clips from Grammy artists for people who want to use cards to communicate in various festivals. The service is ready for downloading in the Android operating system via Boonterm kiosk 24 hours a day, starting from December 2019.

Service for selling SIMs in AIS networks (SIM vending machines)

The company collaborates with AIS or Advanced Info Service Public Company Limited to provide Sim vending service through the AIS automatic SIM vending machine operated by Boonterm. There are 3 types of SIMs to choose from: simple number, beautiful number and auspicious numbers, providing with the registration process for buyers by inserting ID cards at the front of the kiosk. The kiosk will compare the photo from the front of the kiosk with the one of the users' ID cards in order to increase convenience and speed for Boonterm customers and those interested in using the AIS network. Customers can purchase SIM 24 hours a day at any 1,000 AIS SIM vending machines nationwide starting from February 2019.



Kasikorn Bank Identity Verification Service (K CHECK ID)

The company cooperates with KBANK or Kasikorn Bank to produce identity card verification kiosk for KBANK customers by using the name K CHECK ID for customer service. KBANK has confirmed the identity after opening a digital savings account on K PLUS with the method of identity verification by inserting ID card into the K CHECK ID which is safe by checking the information from the Department of Local Administration with face scanning by the Face Recognition method to compare image data from ID cards and is another level of data security. The service started in July 2019.

Top-up service to BMTA tickets

The company collaborated with BMTA or the Bangkok Mass Transit Authority to open the service for topping up the BMTA public transport tickets in both monthly and weekly formats via Boonterm kiosk as an alternative as well as providing convenience for Boonterm customers who are members of the BMTA card. The service of topping up into the BMTA ticket is of 24 hours a day and is available in October. 2019.



AirPay Top Up Service

The company collaborates with AirPaY or AirPay (Thailand) Ltd., an online e-wallet provider for bill payment services, top up mobile phone service, game top up game service, movie ticket purchase, food order or other services. To provide more convenience for Boonterm and AirPay customers, the service is available for topping up to AirPay e-wallet 24 hours a day starting from December 2019.



Important marketing activities in 2019

Sale Promotional activities



Top up AIS ONE-2-CALL

via Boonterm kiosk get "Refund Fee" for "Call Fee"



DTAC Year End Campaign

when buying DTAC additional service promotion at the price of 33 baht or more per visit and get Free fee.



Campaign to end the year

Boonterm joins DTAC to organize activities to give away Samsung Galaxy Note10 mobile phones and Honda Scoopy motorcycles to customers who pay DTAC bills at Boonterm kiosks.



Top up or buy DTAC

additional service promotion to win 112 salung heavy gold and win 2 prizes of Honda Scoopy I

Outstanding marketing activities in 2019

EVENT



Thailand Mobile Expo 2019

The company participated in the activity booth in the Mobile Expo of the year 2019, Thailand Mobile Expo 3 times in order to publicize the new Boonterm kiosk and also participated in the Service Try Out Event of the Boonterm kiosk that sells mobile SIMs. The top-up system of AIS was ready to confirm customer's and activated immediately. The customers were interested and came to try out the AIS prepaid SIM card to receive special privileges, buy SIMs, receive free calls. The event had got a lot of attention from the participants.



Signing ceremony of cooperation and press release project "Good Kids get free Savings at Top Up Vending Machines throughout Thailand"

Government Savings Bank focuses on promoting and creating non-stop saving innovation by cooperating with the company, opening deposit boxes via prepaid machines nationwide of more than 130,000 boxes with "Good Kids get Free Savings at top-up machines throughout Thailand." Children aged 7-20 years, deposit free of charge and the savings can start from 1 baht but not more than 3,000 baht per time. For those aged 20 years and over, there is a special rate of 15 baht per transaction until the end of the year 2019.



mai FORUM 2019

On 13 July 2019, the company participated in the mai FORUM 2019 held annually. In this event, Khun Narongsak Lertsuptavee, the managing director of the company honored to give the information and answered the questions to investors and shareholders who attended the event by bringing the innovation of automatic top-up vending machines and SIM vending machines to display at the event.



MONEY & BANKING AWARDS 2019

The company received the award on Company of the year from the mai stock market for the year 2019 (The Best Company) for the third consecutive year from MONEY & BANKING AWARDS 2019 organized by the Finance and Banking Magazine. In this regard, Mr Narongsak Lertsuptavee, Managing Director is an honor to receive the Award and Khun Damrong Kaew Prasit, the directors also attended the event.

Outstanding marketing activities in 2019

EVENT



Signing Ceremony of Cooperation Agreement between the Tobacco Authority of Thailand and Forth Smart Trading Co., Ltd.

The Company and the Tobacco Authority of Thailand attended the signing ceremony of the Memorandum of Understanding concerning public relations and distribute tobacco in order to join forces in marketing together since Boonterm is a marketing channel that can be operated in parallel with the trade of the Tobacco Authority of Thailand. by focusing on distributing products to local stores, leading to effective work practices.



Signing Ceremony of Memorandum of Understanding for Cash Deposit and Sustainable Lottery Savings Agency (BAAC)

BAAC Bangkok Head Office, Mr. Thanarat Ngamwalairat, Deputy Manager of the Bank for Agriculture and Agricultural Cooperatives (BAAC) and Mr. Narongsak Lertsuptavee, the managing director of Forth Smart Service Public Company Limited signed the memorandum of agreement on "Cash Deposit Agent and Sustainable agricultural savings" through the service point at Boonterm kiosk.



Press conference to launch the EV cabinet business that is a collaboration of 3 companies.

The company collaborated with DTAC and M vision Public Company Limited to create an EV electric motorcycle usage platform to become a fully integrated Electric Vehicle Connectivity Platform (EV) provider. The company will be an EV motorcycle charging service provider to propose new ways to live in urban life while also saving money and protecting the environment.



Launch insurance program for Boonterm kiosk customers in collaboration with AXA

The company collaborated with AXA to provide benefits to customers using Boonterm kiosk by applying to participate in the project and receive AXA free accident insurance worth up to 10,000 baht for a period of 1 month. This collaboration marks the development and upgrade of the service to allow customers to access insurance more conveniently, quickly, and more easily.



FINTECH

On July 18 - 19, 2019, the company participated in FINTECH by bringing innovative payment via the BeWallet application to pay for goods via automatic vending machines and vending machines selling products and car battery chargers at the bank of Thailand. This time, it was honored by Dr. Wirathai Santiprapob, Governor of the Bank of Thailand, also participated in the booth viewing.



Signing ceremony for cooperation with KBANK Business Partners

Mr. Pongchai Amatanon, Chairman of the Executive Committee, led the company as the service provider of electronic wallet applications "BeWallet" and Boonterm kiosk together with Mr. Seelawat Santiwisat, Senior Deputy Managing Director of Kasikorn Bank signed on business alliance agreement to increase the potential of the electronic wallet "BeWallet" to be able to transfer money via PromptPay and pay with QR Code via the application K Plus and all mobile banking and provide more convenience to top-up by linking with Kasikorn Bank accounts as well as planning to jointly develop the Boonterm kiosk to meet the digital age consumers in the future.



Press release for GMM services

The company and GMM launched a distribution channel for Grammy music via Boonterm kiosk to respond to the users who want to listen to Grammy copyrighted music through smart phone.



Troop AIS Sim Kiosks

The company and AIS jointly made a promotion to open a service channel to sell prepaid mobile SIMs via automatic SIM vending machine to respond to the users who want to buy mobile SIMs in the prepaid network for more convenience.

Services in Other Channels

Advertising Service via Boonterm kiosk network

The company foresaw the potential of Boonterm kiosks that are distributed throughout the country of more than 130,000 kiosks, which is viewed as a channel to reach customers and to create additional value for Boonterm kiosk resulting in further business expansion to generate revenue from advertising business and sales and marketing promotion activities

The 10-inch screen that can play video clips with clear images and sound to make the advertisement on Boonterm kiosk more interesting.



STATIC (WRAP UP)

DIGITAL



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). In addition, the "BeWallet" application is another way to expand the business in the company's ecosystem, such as payment via vending machines and payment and charges for changing / replacing electric motorcycle batteries (EV Charging Station) to support Boonterm and new customers in more digital forms.



Corporate social responsibility activities

The project "together to reduce and eliminate waste correctly"

The company together with staff and various shops in the company's cafeteria joined together as part of driving awareness of environmental responsibility by requesting cooperation for everyone to help reduce waste generation, turn to environmentally friendly materials starting from shops had canceled the use of foam boxes. If a container is needed, the container produced from bagasse will be used. And there was a campaign for employees to use their own glass to reduce the amount of plastic glass that is a one-time use.

The company also encourages employees to load food properly so that there is no waste left to create awareness of the proper use of resources. In addition, the company encourages all employees to be knowledgeable and to help manage each type of waste properly by placing waste bins for all 4 types of waste for the staff to conveniently separate the garbage in each location and can send each type of waste to be get rid of properly.



Supporting funds for purchasing products for sale through Chuenjai Vending Cabinet

Boonterm provides financial support to serious disabled people through the project of Chuenjai Vending machine in collaboration with the Social Innovation Foundation (SIF), so that serious disable people can earn income to support themselves and their families.



Activity "Green Phahonyothin"

The company joins the activity with Advanced Info Service Public Company Limited to donate electronic waste (E-Waste) such as various electrical appliances and mobile phones that are broken or no longer needed as well as educating employees about the recycling and destruction of electronic waste properly because many pieces are toxic and cannot be decomposed naturally in order to raise awareness together to protect the environment around us to remain sustainable



Sustainable Business Operations

Thank you party for service representatives

The company organized a thank you party for service representatives and established relationships between service representatives and the company at the Rama Gardens Hotel, Bangkok on February 1, 2019, with a seminar to share experiences for success from the expert speakers, Siriwat Worawetwutikhun or Siriwat Sandwich, and Kun Somkid Lawangkun, and during the early hours, was honored by Mr. Pongchai Amatanon, Chief Executive Officer. Opened the event and there were many activities such as participating in activities at the photo booths, Sweepstakes, Excellent dress contest including the award of outstanding service representative from each side as well.



Service representative meeting

In 2019, the company held service representative meetings in each region throughout the country covering the eastern, southern, northern and central regions in order to communicate the company's business practices. Jointly give opinions and discuss operational approaches, including new business marketing plans, new services, and comments on credit business in 2020, including stock counting management and spare part checking as well.



Strengthening service representatives

The company has organized a plan to meet service representatives to provide knowledge and advice on money management in the kiosk, balance check including guidelines for Vending Machine business management in order to introduce business operations for service representatives who started the Vending Machine business by meeting agents from April to September 2019, in a total of 24 provinces and meeting with 26 service representatives.



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 pre-paid and post-paid 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. The company continues to maintain its leadership in the automatic payment business. In 2019, the company holds the market share from the pre-paid prepaid mobile phone market through Boonterm kiosk accounted for more than 20% of the market value of more than 1.28 billion baht. There is a tendency that the company increase the market share continuously. At the end of 2019, it was found that there were more than 21 million subscribers using the top-up service via Boonterm kiosk representing 30% from the number of pre-paid prepaid mobile phone numbers (over 69 million in domestic numbers).

“ In 2019, the company holds the market share from the pre-paid prepaid mobile phone market through Boonterm kiosk accounted for more than 20% of the market value of more than 1.28 billion baht. ”

In addition, as the banking industry is trying to reduce operating costs by reducing the number of branches nationwide and with the promotion of online money transfers of up to 5,700 million times, this result in a growth of 87% from 2018, which is an opportunity for the company to operate as a bank representative business. In 2019, there were 12 million transfers in the Boonterm network, growing 17% from year 2018. The company represents a total of 6 banks with the largest number of banks providing services in the country and still have many more opportunities to provide services.

The company has a competitive advantage from economies of scale and innovation

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 and after sale service, while Boonterm kiosk has the highest number of kiosks in the country with 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 Payment service, selling sim cards and mobile top-up services, depositing-withdrawing, transferring and loan service including payment of credit which has been approved by the Bank of Thailand to be a bank representative including the development of new products and services continuously such as vending machines, fresh coffee vending machines, Boonterm Counter Service, Clean drinking water dispenser and top-up mobile, battery charging station for electric vehicle (EV Changer) etc.

Direction of **FSMART** in the Year 2020

As the leader of online payment service business via automatic kiosk under the "Boonterm" brand in both most networks and the highest service value in Thailand. In the past year, the company has kept on maintaining a market share, giving priority to the management of quality installation points and increase the value of top-up from new services to add up the frequency of use including the development of Boonterm smart kiosk in various formats to prepare to support the needs of current and future users as well as various marketing activities that are organized with a reward activity to return profits to users (CRM). This results in a growing number of users coming to use the kiosk services enabling the company to move forward in a sustainable and strong way.

From the "Boonterm" kiosk, which provides a unique Micro Transactions, the company has developed both quality product and service that meet the needs of more customers focusing on providing customers with convenience, speed, and safety from using the kiosk. The company aims to be the leader of automated service networks and complete financial product by presenting new product and services in order to meet the needs of customers which are more than top-up mobile phones. Apart from being a way for both the public and private sectors to pay traffic fines, depositing into the National Savings Fund, buying the BAAC savings lotteries and paying social security, the company has also added new business lines such as selling SIM cards for mobile phones which customers will be able to choose a phone number, buy a SIM card, register and top-up to instantly activate the phone number. Customers will be able to register more than 1,200 kiosks from various network providers, resulting in an increase in average usage through kiosks.

Since banking services turn to reduce costs by decrease the number of branches, the company has developed an e-KYC service system for opening electronic deposit accounts and depositing and withdrawing money into bank accounts. The company is a leading banking agent with a network of 6 commercial banks in Thailand. In addition, the company has increased its financial service of Personal Loans, which are the credit limits for service agents and retail service representatives of Boonterm, employees of service representatives and employees of the company and affiliates which is a group of customers who have a business relationship with the company which causes the company to have less risk enhancing the balance in the ecosystem (Eco-system) of the service business through the Boonterm kiosk. The company believes that it will continuously generate profits for the company in the long run and is a new revenue base expansion (New S Curve).

The company has improved and developed the company's service model to support the growth of new technology, including changing the behavior of customers in the future. The company has increases the convenience of access to the products by expanding the installation point of fresh coffee vending machines more than 4,000 vending machines to create awareness among customers. As for the electric vehicle market in Thailand, which has started marketing from both domestic manufacturers and distributors of electric vehicles from foreign countries, it results in the selling price of electric vehicles, both cars and electric motorcycles that is able to reach more consumers. The company has therefore developed a smart top up kiosk for supporting the new business in the future which is the charging station and replacing electric motorcycle batteries / EV Charger, allowing Boonterm to expand more new customer bases in order to increase the company's revenue to cover all segments in the market.

In the year 2020, the company still focuses on managing the quality installation points of Boonterm kiosk with the goal of managing the average top-up per kiosk per month (ARPU) to grow through maintaining leadership in the prepaid business group, payment service and complete financial business groups through automated service channels and expand new customer groups through adding new business lines which is the expansion of the number of automated vending machines for fresh coffee, drinking water and products to 4,000 vending machines, including the beginning of the expansion of the installation locations of automotive battery charging stations.

Revenue Structure

Statement of comprehensive income	2017		2018		2019	
	Baht	%	Baht	%	Baht	%
Revenues						
Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge) ^{/1}	1,748,521,392	52.0%	1,917,435,041	53.2%	1,860,061,735	54.4%
Income from rendering of top-up service for prepaid phone and other online service (Commission) ^{/2}	1,344,873,563	40.0%	1,400,536,701	38.9%	1,266,125,227	37.0%
Entrance fee income	-	0.0%	-	0.0%	-	0.0%
Advertising income ^{/3}	11,544,846	0.3%	21,070,562	0.6%	21,164,244	0.6%
Total revenue from core business (4 items)	3,104,939,801	92.3%	3,339,042,304	92.7%	3,147,351,206	92.0%
Sales of goods ^{/4}	61,434,400	1.8%	10,541,950	0.3%	684,831	0.0%
Other income ^{/5}	198,186,219	5.9%	252,719,286	7.0%	271,209,623	7.9%
Total revenue	3,364,560,420	100.0%	3,602,303,540	100.0%	3,419,245,660	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. **Advertising income** is revenue from advertising on Boonterm kiosk such as digital ads on screen etc.
4. **Sales of goods** such as income from selling materials apart from Boonterm kiosks, for example, tripod, cement pedestal, coin counter etc.
5. **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. Business risk

1.1. Risk from user behavior change

The company is a leader in the network of automatic service channels and complete financial services. The main income comes from fees and commissions from mobile phone payment services, money transfer service and other payment services from users through the network of automatic payment machines "Boonterm" from which in the year 2019 the company earns the commission fee for the prepaid telephone service and the service fee from the users who have to pay when doing the transaction (Service Charge) amounting totally [xx] million baht or [xx] percent of total revenue. At present users have the options of making a prepaid mobile phone transaction, money transfer service or other payment services through more channels such as making payment transactions via mobile banking or mobile applications that provide top-up services for mobile phones or payment services or payment via convenience stores, the purchase of a phone top card in form of a scratch card or topping up a mobile phone via ATM (ATM), etc. Some of the service options have a fee rate or payment service fee which is lower than transactions made through the company's service channels and / or is a way that users can more easily access which may cause the company to be at risk that Boonterm kiosk will not be popular among users like today. If users change behavior or change the way of using the service to other channels in the future which will be an alternative that can answer the users' need more than using the service via top-up kiosks.

However, since the main groups of customers of the company are still low income group, self-employed or student groups that may not have a deposit in a bank account and still mainly receive income in cash which is a limitation in accessing certain types of service channels and to reduce the risk of changes in behavior of users in the future.

The company has therefore developed and expanded the service model of Boonterm kiosk to still be able to meet and access the needs of users by facilitating the target group users and add more outstanding features than other service providers in both top-up kiosks and other channels such as users can top-up mobile phones at very small value (Micro Transaction) with an amount starting from 10 baht per time to meet the needs of service users according to the behavior of cash usage of the main customer groups. Increasing the number of Boonterm kiosk service points to cover the most quality service areas in the country. The service users can choose to make top-up and payments transactions at any time, 24 hours, with the efficiency of the service of Boonterm kiosks that are convenient, fast and reliable. The company has added a variety of service forms, modern and complete, with more than 70 services, support users in 4 languages and have a Boonterm Call Center, phone number 1220, ready to serve daily, 24 hours, etc.

In addition, the company remains committed to developing and expanding a comprehensive range of services rather than just being a point of payment and transferring money through Boonterm kiosks, such as developing Boonterm kiosks to sell SIM for AIS networks as a way to activate the sim and enable complete mobile payment services to support new groups of users for new customers who never use Boonterm kiosk services at all which will be an opportunity to expand more customer base and increasing the customers likely to use other services of additional Boonterm kiosks including recruiting business models through new automatic payment machines including

managing vending machines for consumer products, development and marketing of electric vehicle chargers as well as the development of mobile application "BeWallet" to support the growth of cashless society.

During the 4th quarter of 2019, Forth Smart Trading Co., Ltd., a company established to operate a business that supports new business expansion licensed to operate personal loan business under supervision from the Bank of Thailand, consisting of 3 types which are personal loans under supervision that are not loans with car registration as collateral, personal loans under the supervision of loans with car registration and retail loans for occupation under supervision. The company plans to launch a personal loan service which focuses on increasing the number of members from close loop from customers of partners and customers who use Boonterm services in the first phase and will expand to provide services to general public in the future. The company expects that the increase in service forms and new business expansion will be able to help reduce the risk of changing user behavior to the company.

1.2. Risk from competition in the automatic top-up machine market

Currently, in the market for prepaid mobile phones, there are many automatic top-up service providers in the market among which the main service providers are Boonterm, Sabai Plus, Singer, Gearbox, Top Up and Term Dee etc., and also the major mobile phone service providers in the country turned to develop an automatic payment machine to provide mobile top-up services, game topping up and paying own bills as well. This results in the number of mobile top-up machines increasing continuously every year. In addition, the pre-paid mobile phone top-up can also be done through other service channels such as mobile applications, mobile banking or through various payment counters etc.. Thus, the competition in the market of automatic top-up machines has been increasing all the time.

However, the company is still focusing on creating a prominent position in the market for automatic top-up machines in order to make a difference and to have a competitive advantage to competitors with the highest number of automatic payment machines in the name of "Boonterm" 130,000 kiosks, and with a modern payment service system that can connect the system directly with mobile operators and other payment service providers enabling the users to make transactions conveniently, quickly, check the transaction information with accuracy as well as being able to know the result of the transaction immediately. Moreover, the company, as the leader for electronic payment services, still offers numbers and types of services of more than 70 types and also is still accelerating to expand new service forms steadily to meet the needs of users. The company has a system to conduct business through the management of service agents (Master Agent) and business partners such as 7-Eleven, Family Mart, Lawson, Tesco Lotus, 108 Shop, The Mall, Tops Supermarket, CP Freshmart, TOT, 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 2019 the company dominated the market share, the value of top-up from pre-paid prepaid mobile phone services via Boonterm kiosk accounted for about 20.49% of the pre-paid mobile phone market, which causes the company to have the highest save on Economy-of-Scale in the group of automatic top-up machines and have an advantage in business competition since the company will have the lowest system development cost and operating unit cost. Also the company continues to focus on developing and adjusting the business strategy to maintain its customer base and leadership in the business continuously by adding electronic payment services and payment agent services in accordance with the service license framework that the company received from the Bank of Thailand.

In the year 2019, the company expanded more types of services, such as the Government Savings Bank Loan Payment and the Government Savings Bank Deposit, Grammy music purchase service, Bank deposit service and BAAC lottery purchase service, Boonterm online loan payment service, Top-up service to the Mass Transit Authority of Thailand, Ticket purchasing services of AXA Insurance, Service to purchase sound clips sending happiness (wishes from Grammy artists), top-up services to electronic wallet, AirPay (e-Wallet), selling SIM for AIS network (SIM vending machines) via Boonterm top up kiosk by cash and at the end of the 4th quarter, the company increased the SCB Money Transfer service to support more comprehensive services. In addition, there are other payment services that will meet the needs of the convenience of users in order to be able to reach more of lower to medium level users.

1.3. Risk on Relying on Revenue of Mobile Phone Operators

The top-up market for mobile phones in Thailand is divided into 2 forms which are post-paid top-up mobile phones and prepaid top-up mobile phones. The main customers of the company are pre-paid mobile top-up users. In 2019 the market size of the pre-paid mobile top-up is stable due to the market size in the previous year. The company's main income depends on the number of subscribers in the Prepaid Mobile sector which are divided by earnings into 2 parts:

1. Income from rendering of top-up service for prepaid phone and other online service (Commission) is commission that the Company receives from service operators such as AIS, DTAC, TRUE which account for 98 percent of commission or 37 percent of total revenue from providing services via Boonterm kiosk in 2019.
2. Service charge income from users to pay when making transaction through Boonterm kiosk in the top-up service of all 3 mobile phone service providers which account for 75 percent of the fee income through the Boonterm kiosk or 54.4 percent of the total revenue from providing services via Boonterm kiosk in 2019.

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 the year 2019, the company has managed the risk from relying on the income from mobile phone service providers by developing and expanding the service model in order to increase the proportion of income from payment in other types of services which is not just relying on the main income from mobile top-up services only such as cash deposit services via Boonterm kiosk, top-up services for electronic wallet (e-Wallet) and utility bill payment services, etc. It can be seen that the proportion of revenue from such types of services has increased from 2018 and resulting in the company being able to further reduce the risk of relying on revenue from mobile phone service providers.

1.4. Risk on Change of Technology

Prepaid mobile phone service business or various payment services have a great dependency on technology in providing services, so the company may be at risk from technological changes. Therefore, the company must therefore have a process to monitor and develop technology on systems for mobile top-up services 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 technology development team (R&D) for the development of service systems and / or system applications, this makes it convenient and fast to add, improve and develop programs as needed. From the strengths of the information technology of the company mentioned as one part that will help reduce the risk if compared to other service providers that use foreign automatic payment machines or use a ready-made tablet computer to operate which may be more likely to cause problems and become more difficult to adapt to the Thai market.

In the year 2019, the company has focused on creating quality of service through automatic payment machines of the company that has a comprehensive coverage of service points to increase the potential for better service responding to all needs of the main customers who do cash transactions. In addition, the company also accelerates development mobile applications which are considered new technologies that will support services to customers in the cashless society under the name "BeWallet", allow the company to have a greater variety of service channels able to support users in all target groups and can also reduce the risk of technological changes.

1.5. Risk on relying on Master Agent and Business Partner

The company business operations is a form of administration system and the co-operation to provide Boonterm kiosk services between the company and the Master Agent and Business Partner in order to expand the Boonterm kiosk service points to quality areas and locations which will cover all areas throughout the country. On December 31, 2019, the company has a total of 130,481 Boonterm Kiosks, divided into:

- 1) "Boonterm" under the Franchise program of 108,278 kiosks or 82.98% of all top-up kiosks
- 2) "Boonterm" co-operated with the business partners which were installed at 7-Eleven, Family Mart, Tesco Lotus and Mini Big C etc. of 17,617 kiosk or 13.5% of all top-up kiosks.

On 31 December 2019, FSMART had all together 170 agents in all provinces of Thailand.

From the risk of relying on service agents and business alliances, the company has a risk management plan to solve the risk that the service agent will not comply with the terms agreed with the company, which may result in the decision to terminate the contract by having a plan to meet and visit to assess the quality and potential of service representatives in each area according to the appropriate evaluation cycle, provide training plans and increase service skills of service representatives on an annual basis in order to provide knowledge to service agents in their business operations and continuously improve the potential of service agents as well as reduce various risks that may occur in cases that the managing of the service agent does not meet the quality specified by the company rules both in terms of procurement of quality locations and the management of installation and service points of Boonterm kiosks so that Boonterm kiosk can provide continuous service 24 hours a day. In addition the company has provided a system to give advice to service representatives to be able to manage revenue from Boonterm kiosks most effectively for long-term business operations with the company. As for the management of Boonterm kiosks with business partners, the company has closely and consistently negotiated and coordinated to maintain service quality with all partners in order

to strengthen the relationship and create understanding as well as making an agreement regarding appropriate return of share. All of these cause very low risk to the company.

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

In 2019, the government sector continues to push forward and implement the National Economic and Social Development Plan and may have an impact on the company's core customer base, including strategies for solving poverty, reducing inequality and creating growth from within by having to carry out measures both in the promotion and stimulation of the domestic economy and social development concurrently. As for the economy, it has to 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 and continue to boost the national economy with the Chim, Shop and Chai and the 100 Baht for Trip Project throughout Thailand through mobile applications developed by the government in collaboration with Krung Thai Bank which is a response to government policy that will help reduce inequality and spread prosperity to people in rural areas including stimulating the economy to have better liquidity. The operation of the government mentioned above may cause the company to have a risk that the number of transactions via Boonterm kiosks will be reduced due to the subscriber registration for financial support and spending via mobile applications during a certain period.

However, to reduce the risk from the said policy, the company therefore plans to increase the number of transactions made via Boonterm kiosks by participating in the support of various government projects in all aspects and pushing Boonterm kiosk to be a part of the service channels for grass-rooted customers in the government's operational plan in a complete and comprehensive manner in all services that can be provided through Boonterm kiosk. This will be a way to reduce the impact and is an important opportunity for the Boonterm kiosk to reach new groups of rural users who have never had access to various basic facilities since Boonterm kiosk has service points that cover nationwide in every community at the village level including in the remote areas in every sub-district of Thailand, for example, the company joined with Krung Thai Bank to provide the service for topping up cash into the Bangkok Mass Transit Authority ticket (BMTA) through the Boonterm kiosk conveniently and quickly. The ticket can be used immediately after the transaction or the National Savings Promotion Plan which the company and the National Savings Fund joined to provide the Boonterm kiosk as part of the National Savings Fund's accumulation channels as well etc.

In addition, in 2019, the Bank of Thailand (BOT) opened for financial institutions or electronic payment service providers who wish to provide service for electronic identity verification (e-KYC) to participate in testing and develop new innovations and technologies to support financial services or the BOT Regulatory Sandbox in the process of biometric testing or biotechnology by scanning the face, also known as the face recognition system, which, if passed the test and opened for service, this will enable the public to open an account without having to go to a bank branch and can request a loan and conducting other transactions more conveniently, including providing other products which will depend on the development of each bank and subsequently the BOT announced the launch of National Digital ID Company Limited (NDID) or a system that connects the base Digital information So that people can prove and identify themselves through online channels. In the initial phase, it will start from the banking business. If the user has previously opened a bank account and identify (Create Digital ID) with a bank, after that, user can open another bank account without having to go to another bank branch and will include opening a stock account, purchase life insurance and other financial services that can share the basic infrastructure. This will greatly reduce work

procedures, time and documents. The NDID system is considered an opportunity for the company's e-KYC business due to the exchanging personal information together within the NDID platform that must have standards for doing e-KYC with both high security and full coverage in the service point. The company as a service provider of automatic payment machines with comprehensive service points saw the importance of e-KYC service and prepared to push for the e-KYC service point through Boonterm kiosk. To support the needs and answers for service users in rural areas that do not have access to financial services easily. Can use the service via Boonterm kiosk near the house conveniently. More fast. The company is in the process of preparing to participate in the testing of new innovations to support financial services (BOT Regulatory sandbox). It is expected to be completed by the 1st quarter of 2020 and will be officially available during the quarter. 2 of the year 2020 is considered to increase the opportunity of the company to maintain the company's main customer base and increase the new customer base that has never used Boonterm kiosk service before.

2. Risk on Business Assets

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

The company mainly has assets for business operations, which are automatic payment machines or "Boonterm kiosks". Forth Corporation Public Company Limited (FORTH) is the parent company of the company and is a manufacturing and Sale of telecommunications equipment and electronic circuits and the production and assembly of circuit boards, telecommunications equipment, etc. is a contractor to produce Boonterm cabinet. Electrical equipment spare parts and all electronic circuits related to Boonterm kiosks. If FORTH stop supporting Boonterm kiosk production and spare parts and accessories of Boonterm kiosk. The company may be at risk in procuring and maintaining major assets used in its business operations.

However, the company still has FORTH and the Amatanon Group. Which is a group with control of FORTH and all affiliated companies of FORTH together have control in the company. The company can therefore be confident that The company will continue to receive support regarding the procurement and production of various components. Of Boonterm kiosks from FORTH continuously. Therefore, the risk of buying automatic payment machines Or the Boonterm kiosk from the parent company is therefore low.

In the year 2019, the company still has to buy only Boonterm kiosk from FORTH. The company has entered into an agreement regarding the operation of the automatic payment machine and the purchase and sale agreement of the automatic payment machine Which has fair trading pricing that is suitable for the business at a price that does not exceed the price that the company can find in the market in general Which has comparable quality and quality, and the company also has the right to procure automatic payment machines from other manufacturers. If the company considers that Other businesses offer production or sales prices at a cheaper price than automatic payment machines produced by FORTH.

2.2 Risk on Loss and Damage of "Boonterm"

From the company having to bring the Boonterm kiosk which is the main asset of the company's business to install at service points in various areas throughout the country to support the service for users to be able to use the service conveniently and quickly, 24 hours a day, resulting in the company may face the risk of loss and damage of the merit kiosk. Can fill. In addition, the electronic payment service of Boonterm kiosk is conducted by cash. Which must store cash received from the service in the Boonterm kiosk for a short period of time. Before the service representative of the company opens the cabinet and collects the money for delivering to the company. Therefore making the said cash vulnerable to theft or can be tampered.

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 the year 2019, the company has added measures to reduce the risk of loss and damage of Boonterm kiosk. By providing a robbery tracking team that provides services with a proactive strategy to track and detect robbers and thieves who break into, break, or lift / take off the cabinet, with the aim of robbing cash in the bun add To the effective legal process. The company also has a system to set the maximum limit for receiving payments per transaction or per day. To alleviate the risk of loss of money in the cabinet as well. Therefore, the risk of loss and damage of Boonterm kiosk is pretty low.

3. Risk on Finance

3.1 Risk from relying on the fund from financial institute

On 31st December 2019, 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.

And in the year 2019, the risk of interest rate fluctuations related to long-term loans from financial institutions decreased as the Bank of Thailand announced the policy on interest rate cut from 1.75 percent per year to be reduced to 1.25 percent per year, resulting in lower cost of loan from financial institutions of the company and the company has negotiated with financial institutions to set a fixed interest rate which will help reduce the risk of fluctuations in interest rates.

In addition, in the year 2019, the company can pay dividends in the total value of more than 515 million baht or 88 percentage of net profit which can reflect the strength in the financial status of the company very well. Thus, the risk from relying on funding from financial institutions is very low.

4. Risk on Managment

4.1 Risk on relying on the Major Director

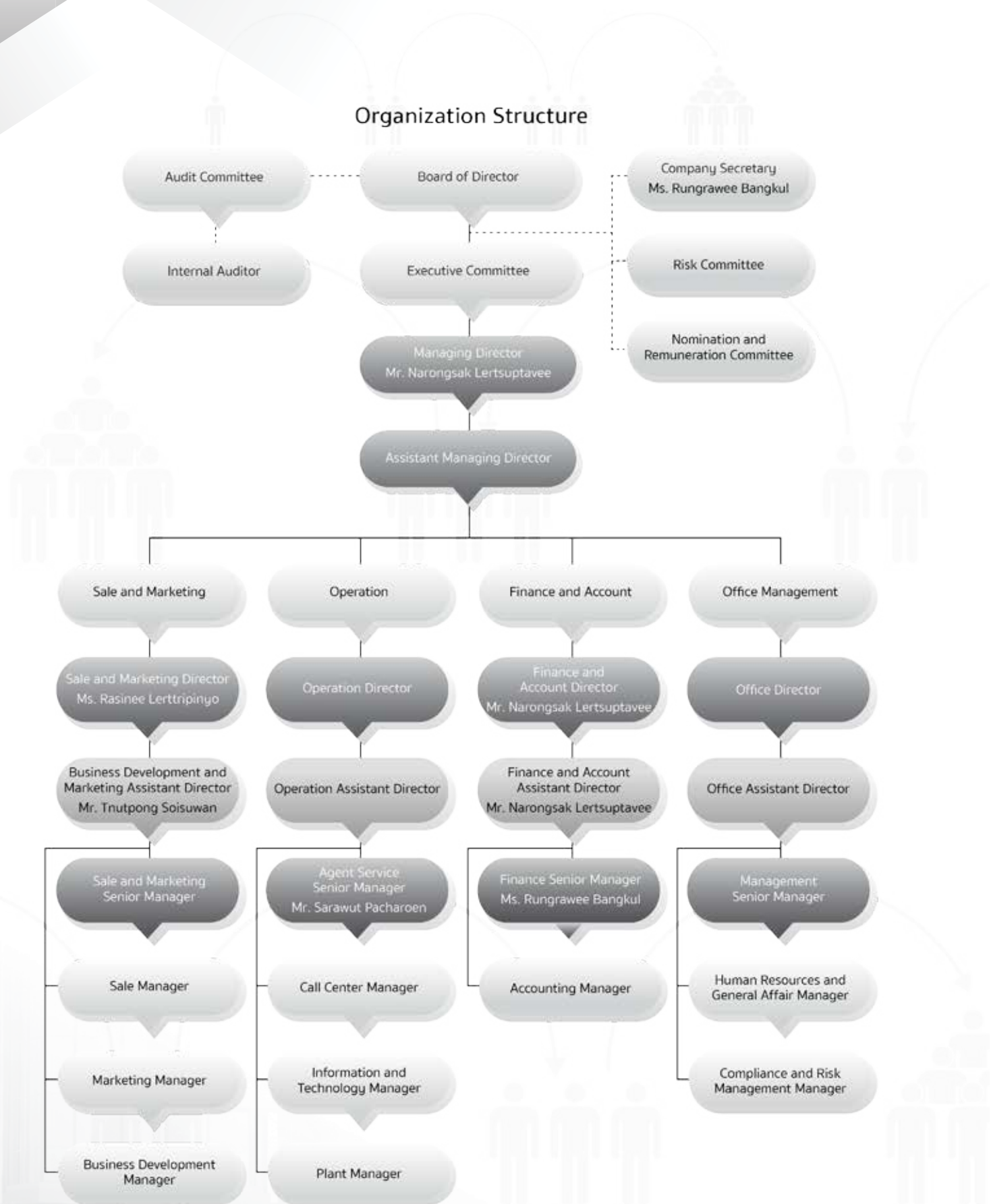
Since Mr. Pongchai Amatanont, the founder of the company and currently being a director and the CEO of the company who has long experience in the business is a visionary and has direct responsibilities in formulating policies, directions and business operations of the company. Therefore, the company has a risk of relying on such major directors.

At present, the company has organized an organizational structure to appoint a committee with expertise and experience in management and business operations and also the company has high-level executives who have the potential to set strategies and manage the organization to achieve the goals of the organization well. This caused the risk of relying on the main committee to be at a low level.

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. The risk of relying on high level executives who have the potential to set strategies and manage the organization to achieve the goals set with potential, helping the company to grow and penetrate the business quickly and efficiently. Currently, the company has a management decentralization plan by requiring executives at various levels be more involved in decision-making and determining the direction of the company's business and clearly have the authority and responsibility in various tasks and have the power to consider, make decisions and proceed in detail within the specified scope, including managing the succession plan and suitable career path development to reduce the risk of relying on the top management of the company. Therefore, the risk of relying on the top executives is low.

Organization Structure



Board of Directors

Mr. Pichit Nimkul

Age 68 years

Chairman of the Board of Directors

Shareholding as of 27 December 2019

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 66 years

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

Shareholding as of 27 December 2019

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,

Board of Directors

Mr. Boonchai Sowanwanichakul

Age 61 years

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

Shareholding as of 27 December 2019

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

2011 – 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 64 years

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

Shareholding as of 27 December 2019

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

2018 – Present Chairman of the Board of Directors
VL Enterprise Public Company Limited
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 – 2017 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 Boriarn Siang-arom

Age 69 years

Director / Independent Director / Nomination and Remuneration Committee

Shareholding as of 27 December 2019

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

Experiences

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

2015 – 2017 Secretary to the Committee on Agriculture and Cooperatives

The National Legislative Assembly

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 56 years

Director / Nomination and Remuneration Committee / Chief Executive Officer

Shareholding as of 27 December 2019

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

2019 – Present Independent Director/ Audit Committee Thai Airways International Public Company Limited

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

2019 – Present Director, Forth EMS 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 59 years

Director / Executive Director

Shareholding as of 27 December 2019

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

2019 – Present Director, Forth EMS Company Limited
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 56 years

Director / Risk Management Committee

Shareholding as of 27 December 2019

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

Age 40 years

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

Shareholding as of 27 December 2019

None

Education

M.Acc., Chulalongkorn University

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

Company Secretary Class 54/2013

How to Develop a Risk Management Plan (HRP), 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 / Director of Finance and Accounting

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 59 years

Director/ Nomination and Remuneration Committee/ Chief Executive Officer

Shareholding as of 27 December 2019

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

2019 – Present Independent Director/ Audit Committee

Thai Airways International Public Company Limited

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

2019 – Present Director, Forth EMS 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 Trading System Company Limited

2002 – Present Director, Forth Meter Company Limited

2002 – Present Director, Genius Traffic System Company Limited

Mrs. Rangsee Lerttripinyo

Age 59 years

Director/ Executive Director

Shareholding as of 27 December 2019

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

2019 – Present Director, Forth EMS Company Limited

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 40 years

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

Shareholding as of 27 December 2019

None

Education

M.Acc., Chulalongkorn University

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

Company Secretary Class 54/2013

How to Develop a Risk Management Plan (HRP), 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 / Director of Finance and Accounting

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 28 years

Executive Director / Sale and Marketing Director

Shareholding as of 27 December 2019

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

Chief Transformation Officer Program (CTO)

Position of listed companies in The Stock Exchange

2016 - Present Executive Director and Sale and Marketing Director

Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

2014 - Present Director, Ravin Personnel Enhancement Company Limited

2019 - Present Director, Glowing Cheeks Company Limited

Experiences

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

Management Team

Mr. Tnutipong Soisuwan

Age 46 years

Business Development & Marketing Assistant Director

Shareholding as of 27 December 2019

None

Education

B. Econ., University of the Thai Chamber of Commerce

Training of Thai Institute of Directors (IOD)

None

Position of listed companies in The Stock Exchange

2019 – Present Business Development & Marketing
Assistant Director
Forth Smart Service Public Company Limited

2017 – 2018 Business Development Assistance Director
Forth Smart Service Public Company Limited

Position of the other companies/ other institutions

None

Experiences

2014 – 2017 Business Manager, Total Access
Communication Co.,Ltd.

2012 – 2014 Product Manager, Dees Supreme Co.,Ltd.

Mr. Sarawut Pacharoen

Age 39 years

Senior Agent Service Manager

Shareholding as of 27 December 2019

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

Management Team

Ms. Rungrawee Bangkul

Age 41 years

Senior Finance Manager/ Company Secretary

Shareholding as of 27 December 2019

None

Education

MBA, Ramkhamhaeng University

Training of Thai Institute of Directors (IOD)

Company Secretary Class 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 Committee
- 5) Risk Management Committee
- 6) Purchase Committee

Details of each committees as follows:

Board of Directors

As of 31 December 2019, 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.Boriharn Siang-arom	Director/Independent Director	3 April 2015
6. Mr. Pongchai Amatanon	Director/Chief Executive Officer	3 December 2008
7. Mrs. Rangsee Lerttripinyo	Director/Executive Director	3 December 2008
8. Mr. Siwapant Rattanavirojwong	Director	8 April 2016
9. Mr. Narongsak Lertsuptavee	Director/Executive Director/Managing Director	1 June 2018

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 Lerttripinyo and Mr. Narongsak Lertsuptavee. 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
11. Consider the appointment of company secretary.

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

In the Board of Directors Meeting No. 6/ 2019, held on December 19, 2019, the Board of Directors performed their duty on reviewing and approving the company's vision, mission, and strategy including reviewing important policies to be appropriate and in line with business operations in accordance with good corporate governance principles, such as anti-corruption policies, business continuity management policies, etc. and the Board had established a mechanism to oversee, monitor the implementation of the company's strategy and evaluate the performance in every quarter of the Board of Directors' meetings. The Board monitors the performance of the management by specifying a report on the results of operations of the company especially the progress of new projects to comply with the strategy set including the progress of the risk management department.

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

In this regard, the directors who have or may have conflicts of interest or any conflict of interest with the company are required not to have the right to vote on that matter.

The Executive Committee

As of 31 December 2019, 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

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 7 days 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 2019, 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/Independent Director
2. Mr. Boonchai	Sowanwanichakul	Audit Committee/ Independent Director
3. Admiral Kraisor	Chansuvanich	Audit Committee/ Independent Director

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 reasonable and are of the best benefit to the Company.
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 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 2019, 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. Boonchai Sowanwanichkul	Nomination and Remuneration Committee / Independent Director
4. Mr. Pongchai Amatanon	Nomination and Remuneration Committee / Executive Director
5. Mr. Narongsak Lersuptavee	Nomination and Remuneration Committee / Executive Director

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 for Directors and Executives Training

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 2019, 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	Lertsuptavee	Risk Management Committee
4.	Mr. Siwaphant	Ratanavirojwong	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.

Purchase 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 2019, the Purchase Committee consists of 2 purchasing directors as following:

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

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 2019, the Executive Committee in according with the definition of the Securities and Exchange Commission consists of 5 executives as following:

Name		Position
1.	Mr. Narongsak Lertsuptavee	Managing Director / Finance Director
2.	Ms. Rasinee Lerttripinyo	Sales and Marketing Director

3	Mr. Tanatpong	Sroisuan ¹	Assistant Director of Business Development and Marketing
3.	Mr. Sarawut	Pacharoen	Senior Agent Service Manager
4.	Ms. Rungrawee	Bangkul	Senior Finance Manager

Note: ¹ The Board of Directors Meeting No. 6/2019, held on December 19, 2019, passed a resolution to appoint Mr. Thanatpong Soysuwan to be the Assistant Director of Business Development and Marketing.

* 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.

In this aspect, 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 appointed Ms. Rungrawee Bangkul 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.

Corporate governance Unit

The company has established a Corporate governance Unit and risk management department with Mrs. Juthamas Mungmart as Manager of the Compliance 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.

As well as the Compliance and risk management department of the company is also responsible for overseeing and managing risks in the Forth Smart Group including the supervision of regulations, procedures and operations in accordance with the legal framework. There is control, monitoring and security checks, information systems related to personal loan services under supervision and provision of Microfinance loan for professional care under the direction of Forth Smart Trading Co., Ltd. appropriately and efficiently.

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 direct 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 2019

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

The meeting of Sub-Committee

Record of attendance of the Risk Management Committee and the Nomination and Remuneration Committee in the year 2019.

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

Scheduling of meetings of the Board of Directors and other sub-committees in advance

- The company has set a board meeting regularly which requires that the Board of Directors meet at least once every 3 months to consider the financial statements, Policy formulation and performance tracking.
- The Board of Directors sets the meeting schedule in advance each year and notifies each director of the company excluding the special meeting.

In 2019, the schedule of the 2020 board meetings was set in advance. (This meeting schedule is subject to change), excluding special meetings as follows:

No.	Board of Directors	Audit Committee	Risk Management Committee	Nomination and remuneration Committee
1.	20 February 2020	20 February 2020	3 February 2020	23 January 2020
2.	14 May 2020	14 May 2020	5 May 2020	17 September 2020
3.	13 August 2020	13 August 2020	13 August 2020	
4.	12 November 2020	12 November 2020	2 November 2020	

In the year 2019, the company held a meeting of Non-Executive Directors on December 19, 2019.

Remuneration of Directors and Management

1. Monetary Compensation

1) Remuneration for Board of Directors

The Annual General Meeting of Shareholders for the year 2019 on 19 April 2019 has approved the directors' remuneration for the year 2019 which are listed below.

Composition of Remuneration for Directors	2019
The meeting allowances	
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
Chairman of the Risk Management Committee	15,000 Baht / person / each attendance
Risk Management Committee	10,000 Baht / person / each attendance
Chairman of the Nomination and remuneration Committee	15,000 Baht / person / each attendance
Nomination and remuneration Committee	10,000 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 2019 to 31 December 2019 and details are as follows:

Unit: Baht

Name			Board of Directors		Audit Committee	
			2018	2019	2018	2019
1.	Mr. Pichit	Nimkul	231,000	198,000	-	-
2.	Mr. Damrong	Kaewprasit	154,000	132,000	198,000	198,000
3.	Mr. Boonchai	Sowanwanichakul	154,000	132,000	184,800	184,800
4.	Admiral Kraisorn	Chansuvanich	154,000	132,000	184,800	184,800
5.	Pol.Lt.Gen.Boriham	Siang-arom	154,000	110,000	-	-
6.	Mr. Pongchai	Amatanon	154,000	132,000	-	-
7.	Mrs. Rangsee	Lerttripinyo	154,000	132,000	-	-
8.	Mr. Somchai	Soongswang	110,000	-	-	-
9.	Mr.Siwapant	Ratanavirojwong	154,000	132,000	-	-
10.	Mr. Narongsak	Lertsuptavee	44,000	132,000	-	-
Total			1,463,000	1,232,000	567,600	567,600

1.2) Annual remuneration

Annual Gratuity	2018	2019
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	
	2018	2019	2018	2019
1. Mr. Damrong Kaewprasit	60,000	60,000	-	-
2. Admiral Kraisor Chansuvanich	-	-	30,000	30,000
3. Mr. Boonchai Sowanwanichakul	40,000	40,000	-	20,000
4. Pol.Lt.Gen.Boriharn Siang-arom	-	-	20,000	20,000
5. Mr. Pongchai Amatanon	-	-	10,000	20,000
6. Mrs. Rangsee Lerttripinyo	-	-	-	-
7. Mr. Somchai Soongswang	20,000	-	10,000	-
8. Mr. Siwapant Ratanavirojwong	30,000	40,000	-	-
9. Mr. Narongsak Lertsuptavee	20,000	40,000	-	20,000
รวม	170,000	180,000	80,000	110,000

3) Remuneration for Executives

Remuneration for executives	2018		2019	
	No. of Executives (person)	Amount (Baht)	No. of Executives (person)	Amount (Baht)
Salary and Bonus	5	7,915,285.08	5	5,591,029.00

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 2019 to the EY Office Limited and the details are as follow:

- ☐ Forth Smart Service Public Company Limited paid audit fee of 1,590,000 Baht.
- ☐ Forth Smart Trading Company Limited paid audit fee of 245,000 Baht.
- ☐ Forth Smart Digital Company Limited paid audit fee of 195,000 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 630,000 baht.

Shareholding Structure

As of 27 December 2019, 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 27 December 2019 as follows:

Rank	Major Shareholder	No. of Share	% Shares
1	Forth Corporation Public Company Limited	395,965,800	49.50
2	Mr. Pongchai Amatanon	27,174,640	3.40
3	Forth Smart Service Public Company Limited	20,000,000	2.50
4	Mrs. Monthip Wittayakorn	13,439,600	1.68
5	Mrs. Wantana Amatanon	13,408,960	1.68
6	ThaiNVAR Company Limited	13,204,573	1.65
7	Mr. Siwaphant Ratanavirojwong	12,000,000	1.50
8	Mr. Sophon Assawasriworanan	9,861,200	1.23
9	Mr. Somchai Akkadechsakul	8,800,000	1.10
10	Miss Pisalak Nimkul	7,647,500	0.96
	รวม	521,502,273	65.20

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	522,657,900	54.4%

Note 1) Information at the latest book closing date as of 7 January 2020 (source: Thailand Securities Depository Co., Ltd.)

2) Amatanon family includes Mr. Pongchai Amatanon (including spouse) holding 41.754%, Mrs. Rangsee Lerttripinyo holding 6.19%, Mr. Kaelic Amatanon holding 6.03%, Mr. Pattanan Amatanon holding 0.02%, Ms. Nisa Amatanon holding 0.02%, Mr. Atsila Amatanon holding 0.03%, Mr. Chawin Lerttripinyo holding 0.23%, Ms. Rasinee Lerttripinyo holding 0.16%, Mr. Sittichoke Amatanon holding 0.003% and Ms. Laksika Amatanon holding 0.002%.

2. **Amatanon family** includes Mr. Pongchai Amatanon (including spouse) holding 5.07%, Mrs. Rangsee Lerttripinyo holding 0.74%, Mr. Kaelic Amatanon holding 0.72%, Ms. Rasinee Lerttripinyo holding 0.08%, Mr. Chawin Lerttripinyo holding 0.05%, Mr. Pattanan Amatanon holding 0.006%, Ms. Nisa Amatanon holding 0.003%, Mr. Atsila Amatanon holding 0.01%

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.

	2017	2018	2019
Dividend per share ¹ (Baht)	0.55 Baht	0.62 Baht	0.66 Baht
Earnings per share (Baht)	0.68 Baht	0.74 Baht	0.75 Baht
Dividend payout ratio	81%	84%	88%
Total of shares (shares)	800,000,000 shares	780,000,000 shares	780,000,000 shares ²
Total dividend payment (Baht)	440,000,000 Baht	483,600,000 Baht	514,800,000 Baht

Note: ¹The Board of Directors resolved to propose the 2020 Annual General Meeting of Shareholders for considering an approval of a dividend payment for the year 2019 performance at Baht 0.66 per share. In this regard, the Company already paid the first dividend payment to shareholders as an interim dividend at Baht 0.32 per share on 3 September 2019. Therefore, the second dividend payment will be at Baht 0.34 per share. However, giving such dividend payment right must be approved by the Annual General Meeting of Shareholders at 17 April 2020.

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 annually. In 2019 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.6/2019 on 19 December 2019 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 2019 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 2019, the Company had held the AGM on Friday 19 April 2019 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 rotation and the details of remuneration for directors and sub-committees. The Company had annually

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 2019 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 2019, there were 8 directors attending the meeting from 9 persons representing 89% 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 2019, 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 including temporary management, auditor, plan management, spouses and underage children and juristic persons which hold exceeding 30% of the voting rights,. 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 2019 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. Allowance for working in other provinces
6. Gasoline cost in case that an employee uses the car for work and actual vehicle costs when having to travel for the company.
7. Adjust the annual wage
8. The annual bonus depends on the performance and key performance indicators (KPI).
9. Uniform
10. Annual party, annual provincial tourism and annual sport event
11. Welfare loans, namely the housing loan etc.

The average hour of employees' training per year

The Company has focused on developing the knowledge and potential of employees. In 2019, the company has trained 252 staffs of 2,751 hours in total or 10.92 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 2019, there were 4 accidents 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 - 21:00 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, audit, internal control including inventory management 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. For customers has informed problem by another channel such as website, e-mail etc. who will be monitor and send case to concerning person to solve problem and feedback to customers within 3 working day.

In the year 2019, 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 2019, the company has not received any complaints that its business is unfair to its competitors.

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 2019. 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 2019, 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 2019, 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 2019, 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. Collect facts
2. Processing and screening data
3. Establish measures to take action
4. Report 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 2019 there were shareholders, institutional investors, general investors and analysts visited the company (Company visit / Conference call) for a total of 16 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 2019 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 2019, the Board of Directors convened a total of 6 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.

Also in the year 2019, Forth Smart Trading Company Limited, a subsidiary of the Company obtaining a license to operate a personal loan service under supervision and providing personal loan service under supervision Ministry of Finance through the Bank of Thailand As a result, the company is obliged to have a process and operations regarding enterprise risk management in order to have effective operation and risk management system for the business system.

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-assessment not less than 1 time per year. In the year 2019, the Board of Directors had considered the self-assessment form in the Board of Directors' Meeting No. 2/2020

on 20 February 2020 in order to have the Board of Directors jointly evaluate performance and problems for resolving and increasing work efficiency of the Board of Directors.

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 the year 2019, the Board of Directors supports the Directors and senior management Attend training and attend seminar activities In order to increase knowledge in the work continuously as follows

- On 26 June 2019 - 28 August 2019, Miss Rasinee Lerttripinyo, Executive Director / Sale and Marketing Director Attended the training course CTO-Blockchain for Digital Transformation in Logistic (mai) organized by the Stock Exchange of Thailand

- On 10-11 and 16-17 October 2019, Ms. Rungrawee Bangkul, Senior Financial Manager / Company Secretary attended the training course Basic knowledge for the investor relations profession organized by the Stock Exchange of Thailand

- On 25 November 2019, Mr. Dumrong Kaewprasit Chairman of the Audit Committee / Independent Director Admiral Kraisorn Chansuwanich Audit Committee / Independent Director and Mr. Boonchai Sophawanitchakun Member of the Audit Committee / Independent Director attended the Digital Sustainability Business Training course, organized by EY Office Limited

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 2019, the company has held the meeting for the non Executive Directors on 19 December, 2019.

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 28 December 2018	As of 27 December 2019	
Mr. Pichit Nimkul	Chairman of the Board of Directors	4,460,010	4,500,010	40,000
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 Kraisorn Chansuvanich	Director Independent Director Audit Committee Chairman of Nomination and Remuneration Committee	-	-	-
Pol.Lt.Gen Boriarn Siang-arom	Director Nomination and Remuneration Committee Chief Executive Officer	-	-	-
Mr. Pongchai Amatanon ¹	Director Nomination and Remuneration Committee Chief Executive Officer	40,583,600	40,583,600	-
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.

Preventing Involvement with Corruption

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 2019, 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 Compliance 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 2019, 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 Compliance 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 2019 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 Accounting Department and Finance 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 entirely 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 2019, 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 2019 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 2019 was presented in the topic "Corporate Social Responsibility".

Transactions with persons subject to conflict of interest occurring in the accounting period of 2017, 2018 and 2019 ending on 31 December of each year.

Related party transactions and conflict of interest	Features of transactions	12-month period, year			Necessity and rationality
		2017 at 31 December 2017	2018 at 31 December 2018	2019 at 31 December 2019	
1. FORTH Corporation Public Company Limited (FORTH) as the major shareholder of the Company	The Company purchases the online top-up machines (Boontem Book, Counter Service machine, RO machine, etc.) from FORTH.	9/1.81	16.20	-	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: 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. 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 27,000-48,000 Baht which is higher than the price that the Company bought from FORTH.)
	The Company hires FORTH to transport the online top-up machines and spare parts for the Company.	90.34	70.10	12.13	

Related Transactions



Transactions with persons subject to conflict of interest occurring in the accounting period of 2017, 2018 and 2019 ending on 31 December of each year.

Related party transactions and conflict of interest	Features of transactions	12-month period, year			Necessity and rationality
		2017 at 31 December	2018 at 31 December	2019 at 31 December	
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.	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.	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.	0.06	-	-	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. However, the Company has reduced the proportion of hiring FORTH to transport the online top-up machines and use only in urgent cases.
	The Company purchases the computer equipment/office supplies from FORTH.	1.74	0.02	-	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 provider 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. - The Company pays for the internal control system audit / other - The Company has the accounts payable / other payables at the ending date of the accounting period.	0.48 - 0.26	0.90 - -	0.68 - 0.24	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.



Transactions with persons subject to conflict of interest occurring in the accounting period of 2017, 2018 and 2019 ending on 31 December of each year.

Related party transactions and conflict of interest	Features of transactions	Necessity and rationality		
		12-month period, year 2017 at 31 December 2017	12-month period, year 2018 at 31 December 2018	12-month period, year 2019 at 31 December 2019
1. FORTH Corporation Public Company Limited (FORTH) as the major shareholder of the Company (continue)	- 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.	17.61	18.37	18.05
	- The Company has the accounts payable / other payables at the ending date of the accounting period.	3.06	1.75	1.56
	- The Company pays the charges for water supply/electricity/central chiller.	1.82	1.82	2.84
	- The Company has the accounts payable / other payables at the ending date of the accounting period.	0.08	0.13	0.14
	- 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	-
2. Electronic Sources Company Limited as the subsidiary of FORTH	- The Company has paid commissions to Electronic Sources Company Limited as the Master Agent of the Company.	0.01	0.01	0.01
	- 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.	72.63	47.10	30.27

Related Transactions



Transactions with persons subject to conflict of interest occurring in the accounting period of 2017, 2018 and 2019 ending on 31 December of each year.

Related party transactions and conflict of interest	Features of transactions	12-month period, year			Necessity and rationality
		2017 at 31 December 2017	2018 at 31 December 2018	2019 at 31 December 2019	
2. Electronic Sources Company Limited as the subsidiary of FORTH (continue)	- 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.	13.24	7.61	5.92	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.
	The Company has hired Genius Traffic System Co., Ltd. to produce outdoor LED signs and set of LED display controller.	1.10	-	-	
3. Genius Traffic System Co., Ltd. as a subsidiary of FORTH	- The Company has the accounts payable / other payables at the ending date of the accounting period. - 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.	16.73	12.98	11.23	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. 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.
	- 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.	0.24	0.24	0.24	

Transactions with persons subject to conflict of interest occurring in the accounting period of 2017, 2018 and 2019 ending on 31 December of each year.

Related party transactions and conflict of interest	Features of transactions	Necessity and rationality		
		12-month period, year 2017 at 31 December 2017	12-month period, year 2018 at 31 December 2018	12-month period, year 2019 at 31 December 2019
3. Genius Traffic System Co., Ltd. as a subsidiary of FORTH (continue)	- The Company pays the charges for water supply / electricity / - The Company has accounts payable / other payables in this accounting period. - The Company purchase shares in Forth Vending Co., Ltd.	0.38	0.06	0.06
4. Forth Vending Co., Ltd. as the subsidiary of FORTH	- The Company receives income from managing the product system for Forth Vending Co., Ltd. - The Company had the receivable for management fees. - The Company pays commission to Forth Vending Co., Ltd. and help FVD manage their system as a MA of the Company. - The Company has accrued commission payable at the ending date of the accounting period.	1.64	2.45	3.39
				0.42
		0.28	0.49	4.32
		2.93	3.46	
		0.33	0.34	0.49

Related Transactions



Transactions with persons subject to conflict of interest occurring in the accounting period of 2017, 2018 and 2019 ending on 31 December of each year.

Related party transactions and conflict of interest	Features of transactions	12-month period, year			Necessity and rationality
		2017 at 31 December	2018 at 31 December	2019 at 31 December	
4. FORTH Vending Co., Ltd. as the subsidiary of FORTH (continues)	The Company has the Top-up return as account payable at the end of the accounting period.	1.12	2.06	3.81	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. 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.
	The Company has the money in the automatic vending machine waiting to be submitted as account payable at the end of the accounting period.	1.55	3.49	4.94	
5. FORTH Smart Trading Co., Ltd. as the subsidiary	The Company purchase shares in FORTH Smart Trading Co., Ltd.	174.97	-	125.00	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 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.
	The Company has the warranty money (other current liabilities) in this accounting period.	2.70	2.11	2.13	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 2017, 2018 and 2019 ending on 31 December of each year.

Related party transactions and conflict of interest	Features of transactions	12-month period, year			Necessity and rationality
		2017 at 31 December	2018 at 31 December	2019 at 31 December	
5. FORTH Smart Trading Co., Ltd. as the subsidiary	- The Company paid commission to FORTH Trading Company Limited for leading of water vending machines and gasoline vending machines	0.87	0.65	0.43	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.
	- The Company has accrued commission payable at the ending date of the accounting period	0.94	1.64	0.21	
	- The Company had revenue from profit sharing.	3.01	-	3.63	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.
	- The Company had receivables for management fees.	16.12	33.62	6.05	
	- 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 NRV 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.
	- The Company has the receivable / other receivables at the ending date of the accounting period.	-	-	-	

Related Transactions



Transactions with persons subject to conflict of interest occurring in the accounting period of 2017, 2018 and 2019 ending on 31 December of each year.

Related party transactions and conflict of interest	Features of transactions	12-month period, year			Necessity and rationality
		2017 at 31 December	2018 at 31 December	2019 at 31 December	
6. FORTH Smart Digital Co., Ltd. as the subsidiary of FORTH Smart Trading Co., Ltd.	- 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	6.99	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.	- 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	0.16	1.36	
8. FORTH EMS Co., Ltd. as a subsidiary of FORTH	- The Company purchases the online top-up machines include spare part from FORTH EMS. - The Company has The accounts payable / other payables at The ending date of The accounting period. - The Company hires FORTH EMS to transport the online top-up machines and spare parts for the Company. - The Company has The accounts payable / other payables at The ending date of The accounting period.	0.02	-	4.76	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. The Company purchases the online top-up machines and other spare parts in the automatic payment machines from FORTH EMS. It is the commercial transactions with appropriate and reasonable commercial conditions. Here are two main reasons why the Company chooses FORTH EMS: 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. The Company hires FORTH EMS to transport the online top-up machines due to the following reasons: 1. FORTH EMS has standardized and reliable transportation system 2. Transportation cost does not differ from other transporting companies. 3. FORTH EMS is able to support the urgent case.
		0.02	-	1.95	

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 2019 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.
3. Report risk management result to board of director for acknowledge.

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	Chansuwanich	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 2019, 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 2019 appeared on the topic "Management Structure" which can be summarized as follows:

1. To review the Company's financial statements, quarterly and annual of 2019, 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 2019.

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 2019 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 2020 (1 January 2020 – 31 December 2020) in the meeting of Audit Committee No. 1/2020 held on 20 February 2020, 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 Kraisorn Chansuwanich | 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 Lersuptavee | Nomination and Remuneration Committee |

The Nomination and Remuneration Committee has Ms. Rungrawee Bangkul 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 2019, 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.

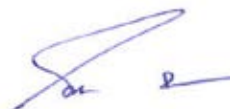
2. Considering the directors who have completed their terms and proposed new directors according to Section 71 of the Public Limited Companies Act BE 2535 and the Company's Articles of Association, Article 19, requiring that in every annual general meeting, the directors must leave at least one-third 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 2019 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 2019 for further approval.

4. Consider appoint addition management.

5. Consider training courses for the Directors and management to improve knowledge.

6. Consider and evaluate the performance of Nomination and Remuneration Committee for year 2019.



(Admiral Kraisorn Chansuwanich)

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 2019 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 2019, 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 2019, 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 examined the related accounting entries made through journal vouchers.

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:

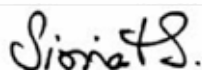
- ☐ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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: 20 February 2020

Forth Smart Service Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	210,227,710	288,383,154	174,616,445	266,746,201
Current investments	8	50,000,000	-	-	-
Accrued income and other receivables	6, 9	869,497,056	893,177,944	856,395,469	913,971,167
Prepaid telephone charges		128,563,225	136,610,195	128,563,224	136,610,195
Inventories		82,021,483	89,768,450	78,049,243	85,780,024
Current portion of loans to service representatives	10	25,044,635	-	-	-
Other current assets					
Other receivables - Revenue Department		7,191,096	4,907,756	-	-
Others		25,929,275	18,026,709	25,771,017	19,006,565
Total current assets		1,398,474,480	1,430,874,208	1,263,395,398	1,422,114,152
Non-current assets					
Investment in subsidiaries	11	-	-	299,970,000	174,970,000
Other long-term investment	12	63,151,815	43,151,815	52,000,000	32,000,000
Loans to service representatives - net of current portion	10	27,657,853	-	-	-
Leasehold improvement and equipment	13	1,954,011,623	2,361,922,615	1,809,907,916	2,269,860,244
Intangible assets	14	55,555,903	58,537,116	42,956,404	41,202,039
Prepayment of long-term lease	6	11,229,167	12,979,167	11,229,167	12,979,167
Deferred tax assets	20	4,372,451	3,326,104	3,368,384	2,782,703
Other non-current assets		5,721,495	5,407,573	5,463,663	5,383,052
Total non-current assets		2,121,700,307	2,485,324,390	2,224,895,534	2,539,177,205
Total assets		3,520,174,787	3,916,198,598	3,488,290,932	3,961,291,357

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 2019

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	730,000,000	660,000,000	730,000,000	660,000,000
Trade and other payables	6, 16	609,108,101	759,414,572	610,574,566	818,375,050
Current portion of long-term loans	17	209,991,099	380,373,116	209,991,099	380,373,116
Current portion of liability under finance lease agreement		381,864	-	381,864	-
Income tax payable		18,733,437	20,383,006	17,117,697	19,410,483
Other current liabilities					
Retention received from service representatives		566,174,098	596,655,471	564,049,098	594,545,471
Others		36,171,092	36,148,817	29,287,731	35,847,352
Total current liabilities		2,170,559,691	2,452,974,982	2,161,402,055	2,508,551,472
Non-current liabilities					
Long-term loans, net of current portion	17	-	204,435,544	-	204,435,544
Provision for long-term employee benefits	18	12,866,563	7,230,941	12,866,563	7,230,941
Liability under finance lease agreement - net of current portion		1,176,657	-	1,176,657	-
Total non-current liabilities		14,043,220	211,666,485	14,043,220	211,666,485
Total liabilities		2,184,602,911	2,664,641,467	2,175,445,275	2,720,217,957
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	22	40,000,000	40,000,000	40,000,000	40,000,000
Appropriated - treasury shares reserve	27	187,341,205	187,341,205	187,341,205	187,341,205
Unappropriated		503,205,902	418,178,812	485,603,086	413,830,829
Treasury shares	27	(187,341,205)	(187,341,205)	(187,341,205)	(187,341,205)
Equity attributable to owners of the Company		1,330,448,473	1,245,421,383	1,312,845,657	1,241,073,400
Non-controlling interests of the subsidiaries		5,123,403	6,135,748	-	-
Total shareholders' equity		1,335,571,876	1,251,557,131	1,312,845,657	1,241,073,400
Total liabilities and shareholders' equity		3,520,174,787	3,916,198,598	3,488,290,932	3,961,291,357

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

Directors

Forth Smart Service Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales of goods		684,831	10,541,950	-	7,451,338
Income from rendering of top-up service for prepaid phone and receipt of other online services		1,266,125,227	1,400,536,701	1,266,077,256	1,400,382,591
Income from rendering of services through online top-up machines	19	1,860,061,735	1,917,435,041	1,841,562,040	1,891,810,868
Advertising income		21,164,244	21,070,562	-	-
Other income	16	271,209,623	252,719,286	263,062,625	252,576,486
Total revenues		<u>3,419,245,660</u>	<u>3,602,303,540</u>	<u>3,370,701,921</u>	<u>3,552,221,283</u>
Expenses					
Cost of sales		396,865	8,889,023	-	6,432,530
Cost of services		2,491,761,779	2,631,206,290	2,464,167,866	2,599,500,324
Service expenses		39,060,158	48,108,349	37,021,885	48,108,349
Administrative expenses		185,738,009	194,055,842	181,909,700	185,844,784
Total expenses		<u>2,716,956,811</u>	<u>2,882,259,504</u>	<u>2,683,099,451</u>	<u>2,839,885,987</u>
Profit before finance cost and income tax expenses		<u>702,288,849</u>	<u>720,044,036</u>	<u>687,602,470</u>	<u>712,335,296</u>
Finance cost		(41,427,478)	(62,012,045)	(41,420,305)	(62,005,166)
Profit before income tax expenses		<u>660,861,371</u>	<u>658,031,991</u>	<u>646,182,165</u>	<u>650,330,130</u>
Income tax expenses	20	(77,647,330)	(77,221,755)	(75,210,612)	(75,531,545)
Profit for the year		<u>583,214,041</u>	<u>580,810,236</u>	<u>570,971,553</u>	<u>574,798,585</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	18	-	(2,424,287)	-	(2,424,287)
Less: Income tax effect	20	-	484,857	-	484,857
Total other comprehensive income for the year		<u>-</u>	<u>(1,939,430)</u>	<u>-</u>	<u>(1,939,430)</u>
Total comprehensive income for the year		<u>583,214,041</u>	<u>578,870,806</u>	<u>570,971,553</u>	<u>572,859,155</u>

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 2019

		(Unit: Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2019	2018	2019	2018
Profit attributable to:					
Equity holders of the Company		584,226,386	583,105,351	570,971,553	574,798,585
Non-controlling interests of the subsidiaries		(1,012,345)	(2,295,115)		
		<u>583,214,041</u>	<u>580,810,236</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		584,226,386	581,165,921	570,971,553	572,859,155
Non-controlling interests of the subsidiaries		(1,012,345)	(2,295,115)		
		<u>583,214,041</u>	<u>578,870,806</u>		
Basic earnings per share					
	21				
Profit attributable to equity holders of the Company		<u>0.75</u>	<u>0.74</u>	<u>0.73</u>	<u>0.73</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 2019

(Unit: Baht)

Consolidated financial statements									
	Equity attributable to owners of the Company						Total		
	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	Treasury shares	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Statutory reserve	Appropriated Treasury shares reserve					
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	-	-	-	-	(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 27)	-	-	-	-	-	(187,341,205)	(187,341,205)	-	(187,341,205)
Transferred unappropriated retained earnings to treasury shares reserve (Note 27)	-	-	-	187,341,205	(187,341,205)	-	-	-	-
Dividend payment (Note 26)	-	-	-	-	(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	(187,341,205)	1,245,421,383	6,135,748	1,251,557,131
Balance as at 1 January 2019	400,000,000	387,242,571	40,000,000	187,341,205	418,178,812	(187,341,205)	1,245,421,383	6,135,748	1,251,557,131
Profit (loss) for the year	-	-	-	-	584,226,386	-	584,226,386	(1,012,345)	583,214,041
Total comprehensive income for the year	-	-	-	-	584,226,386	-	584,226,386	(1,012,345)	583,214,041
Dividend payment (Note 26)	-	-	-	-	(499,199,296)	-	(499,199,296)	-	(499,199,296)
Balance as at 31 December 2019	400,000,000	387,242,571	40,000,000	187,341,205	503,205,902	(187,341,205)	1,330,448,473	5,123,403	1,335,571,876

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 2019

	Separate financial statements						(Unit: Baht)
	Issued and paid-up share capital	Share premium	Retained earnings			Total	
			Statutory reserve	Appropriated Treasury shares reserve	Unappropriated Treasury shares		
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	-	-	-	-	(1,939,430)	-	(1,939,430)
Total comprehensive income for the year	-	-	-	-	572,859,155	-	572,859,155
Treasury shares during the period (Note 27)	-	-	-	-	-	(187,341,205)	(187,341,205)
Transferred unappropriated retained earnings to treasury shares reserve (Note 27)	-	-	-	187,341,205	(187,341,205)	-	-
Dividend payment (Note 26)	-	-	-	-	(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
Balance as at 1 January 2019	400,000,000	387,242,571	40,000,000	187,341,205	413,830,829	(187,341,205)	1,241,073,400
Profit for the year	-	-	-	-	570,971,553	-	570,971,553
Total comprehensive income for the year	-	-	-	-	570,971,553	-	570,971,553
Dividend payment (Note 26)	-	-	-	-	(499,199,296)	-	(499,199,296)
Balance as at 31 December 2019	400,000,000	387,242,571	40,000,000	187,341,205	485,603,086	(187,341,205)	1,312,845,657

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 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	660,861,371	658,031,991	646,182,165	650,330,130
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation	524,951,800	540,596,349	505,144,029	523,594,330
Amortisation for intangible assets	7,312,120	6,523,947	5,373,002	4,475,980
Amortisation for prepayment of long-term lease	1,750,000	1,750,000	1,750,000	1,750,000
Loss on write-off equipment	2,039,714	2,519,451	2,039,714	2,248,474
Allowance for deterioration/loss of equipment (reversal)	(761,847)	3,445,529	(550,589)	3,178,030
Increase in provision for long-term employee benefits	5,635,622	1,578,760	5,635,622	1,578,760
Gain on sales of equipments	(473,092)	(4,443,431)	(322,722)	(4,443,431)
Interest expenses	27,909,329	42,898,603	30,743,610	42,949,855
Profit from operating activities before changes in operating assets and liabilities	1,229,225,017	1,252,901,199	1,195,994,831	1,225,662,128
Operating assets (increase) decrease				
Accrued income and other receivables	23,680,888	(112,124,144)	57,575,698	(122,859,819)
Prepaid telephone charges	8,046,970	38,642,868	8,046,970	38,642,868
Inventories	7,746,967	(14,461,386)	7,730,781	(13,928,982)
Other current assets	(9,945,991)	12,421,261	(6,764,452)	9,132,450
Other non-current assets	(367,421)	506,381	(80,611)	530,912
Operating liabilities increase (decrease)				
Trade and other payables	(151,097,240)	5,163,523	(198,112,991)	32,775,440
Other current liabilities	(30,459,096)	(8,132,665)	(37,055,994)	(7,616,239)
Cash flows from operating activities	1,076,830,092	1,174,917,037	1,027,334,232	1,162,338,758
Cash paid for interest expenses	(28,232,054)	(43,143,390)	(31,066,334)	(43,194,641)
Cash paid for corporate income tax	(80,554,182)	(65,212,485)	(78,089,078)	(63,784,478)
Cash received from income tax refund	24,521	-	-	-
Net cash flows from operating activities	968,068,377	1,066,561,162	918,178,820	1,055,359,639

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 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities				
Increase in current investment	(50,000,000)	-	-	-
Cash paid for increase in share capital of subsidiary	-	-	(125,000,000)	-
Increase in other long-term investment	(20,000,000)	(6,000,000)	(20,000,000)	(6,000,000)
Cash paid for loans to service representatives	(89,460,000)	-	-	-
Cash receipt from loans to service representatives	36,757,511	-	-	-
Proceeds from sales of equipments	3,466,897	5,649,495	816,897	5,649,495
Acquisition of equipments	(109,025,218)	(105,829,172)	(45,366,001)	(104,984,194)
Payments of other payables for purchases of equipment	(9,364,769)	(15,505,346)	(9,364,769)	(15,505,346)
Acquisition of computer software	(4,330,906)	(16,037,580)	(7,127,367)	(17,691,105)
Net cash flows used in investing activities	(241,956,485)	(137,722,603)	(206,041,240)	(138,531,150)
Cash flows from financing activities				
Cash receipt from short-term loans	3,460,000,000	2,760,000,000	3,460,000,000	2,760,000,000
Repayments of short-term loans	(3,390,000,000)	(2,800,000,000)	(3,390,000,000)	(2,800,000,000)
Cash receipt from long-term loans	-	200,000,000	-	200,000,000
Repayments of long-term loans	(374,817,561)	(420,725,339)	(374,817,561)	(420,725,339)
Cash paid for liabilities under finance lease agreements	(250,479)	-	(250,479)	-
Dividend paid	(499,199,296)	(473,957,490)	(499,199,296)	(473,957,490)
Acquisition of treasury shares	-	(187,341,205)	-	(187,341,205)
Net cash flows used in financing activities	(804,267,336)	(922,024,034)	(804,267,336)	(922,024,034)
Net increase (decrease) in cash and cash equivalents	(78,155,444)	6,814,525	(92,129,756)	(5,195,545)
Cash and cash equivalents at beginning of year	288,383,154	281,568,629	266,746,201	271,941,746
Cash and cash equivalents at end of year	210,227,710	288,383,154	174,616,445	266,746,201
	-	-	-	-
Supplemental cash information				
Non-cash items				
Purchases of equipment for which no cash has been paid	10,478,262	-	-	-
Acquisition of motor vehicle under lease agreement	1,809,000	-	1,809,000	-

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 2019

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	
			2019	2018
			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 and provide nano finance and personal loan services	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 Group 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 Group have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are 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 recognised 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.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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 Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group and the Company's assets by approximately Baht 166 million and the Group and the Company's liabilities (less rental prepayment) by approximately Baht 155 million.

4. Significant accounting policies

4.1 Revenues recognition

Revenue from sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

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 over time 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 money transfer 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 Accrued income, loan receivables and other receivables

Accrued income, loan receivables and other 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 Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.9 Long-term leases

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

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 Group 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.

Postemployment 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 Group 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 Group 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 Group 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 Group 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 Group 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	2019	2018	2019	2018
<u>Transactions with parent company</u>					
Purchases of equipment for installation of online top-up machines	Cost plus margin	41	71	12	70
Purchases of online top-up machines	Cost plus margin	-	16	-	16
Purchases of vending machines	Cost plus margin	44	-	-	-
Sales of online top-up machines	Cost plus margin	-	5	-	5
Service and administrative expenses	Agreed rate	4	3	4	3
Rental expenses	Agreed rate	18	20	18	18

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	Pricing policy	2019	2018	2019	2018
Transactions with subsidiary companies					
(Eliminated from the consolidated financial statements)					
Others income	Agreed rate	-	-	4	4
Purchases of intangible assets	Agreed rate	-	-	7	5
Commission expresses	Agreed rate	-	-	-	1
Service and administrative expenses	Agreed rate	-	-	1	1
Transactions with related companies					
Others income	Agreed rate	3	2	3	2
Purchase of equipment for installation of online top-up machines	Cost plus margin	35	47	35	47
Commission expenses	Agreed rate	4	3	4	3
Rental expenses	Agreed rate	2	2	2	2

The balances of the accounts as at 31 December 2019 and 2018 between the Company and those related parties were as follows:

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Accrued income - related parties (Note 9)					
Parent company		16	-	-	-
Subsidiaries		-	-	1,515	876
Related parties ⁽¹⁾		31	4	31	4
Total		47	4	1,546	880
Other receivables - related parties (Note 9)					
Subsidiaries		-	-	5,048	31,109
Related parties ⁽¹⁾		415	491	415	491
Total		415	491	5,463	31,600
Prepayment of long-term lease - related parties					
Related parties ⁽¹⁾		11,229	12,979	11,229	12,979
Total		11,229	12,979	11,229	12,979

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2019	2018	2019	2018
Trade and other payables - related parties (Note 16)				
Parent company	15,232	14,054	2,062	12,096
Subsidiaries	-	-	16,586	64,161
Related parties ^{(1), (2)}	30,710	25,472	30,710	25,467
Total	45,942	39,526	49,358	101,729

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 2019 and 2018, the Company had employee benefit expenses payable to their directors and management as below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2019	2018	2019	2018
Short-term employee benefits	7,681	10,196	7,681	10,196
Post-employment benefits	5,778	1,770	5,778	1,770
Total	13,459	11,966	13,459	11,966

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	916	2,063	896	2,043
Bank deposit	208,383	285,965	172,791	264,348
Deposits at banks with restrictions	929	355	929	355
Total	210,228	288,383	174,616	266,746

As at 31 December 2019, bank deposits in saving accounts, carried interests between 0.30 and 0.90 percent per annum (2018: between 0.30 and 0.90 percent per annum).

As at 31 December 2019, the Company's deposits at banks with restrictions amounting to Baht 0.9 million (2018: Baht 0.4 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. Current investments

As at 31 December 2019, Forth Smart Trading Company Limited (the subsidiary) has current investment with local commercial bank in the form of fixed deposit amounting to Baht 50 million. Such investments carry interest rate at 1.50 per annum and due for redemption within February 2020.

9. Accrued income and other receivables

	Consolidated	financial	(Unit: Thousand Baht)	
	statements		Separate	
	2019	2018	2019	2018
Accrued income - related parties	47	4	1,546	880
Accrued income	857,290	881,462	838,000	870,339
Other receivables - related parties	415	491	5,463	31,600
Other receivables	11,861	11,337	11,502	11,268
Total	869,613	893,294	856,511	914,087
Less: Allowance for doubtful debts	(116)	(116)	(116)	(116)
Total accrued income and other receivables - net	869,497	893,178	856,395	913,971

10. Loans to service representatives

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Balance as at 31 December 2018	-
Add: Additions	89,460
Less: Receipt	(36,757)
Balance as at 31 December 2019	52,703
Less: Current portion	(25,045)
Loans to service representatives - net of current portion	27,658

The loans represent loans which Forth Smart Trading Company Limited (the subsidiary) lend to service representatives of the Company, which has facility amounting to Baht 89.5 million. Such loans carry interest rate at fixed rate as stipulated in the agreements and to be repaid in monthly installments over 36 periods (ending in 2022). The loans are unsecured.

11. 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	
	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(percent)	(percent)	(Thousand Baht)	(Thousand Baht)
Subsidiary directly held by the Company						
Forth Smart Trading Co., Ltd.	300,000	175,000	99.99	99.99	299,970	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					299,970	174,970

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

12. Other long-term investments

On 31 October 2019, the Extraordinary General Meeting of the Shareholders of Forth Vending Company Limited, which the Company invests at 10 percent, passed a resolution to approve an increase in the registered share capital from Baht 320 million (32,000,000 ordinary shares of Baht 10 each) to Baht 620 million (62,000,000 ordinary shares of Baht 10 each) through the issuance of 30,000,000 additional ordinary shares with a par value of Baht 10 each for offer to existing shareholders.

On 8 November 2019, the Company's Board of Directors passed a resolution to acquire 3,000,000 ordinary shares with a par value of Baht 10 each, amounting to Baht 30 million in order to maintain its existing shareholding. Consequently, Forth Vending Company Limited called up 67 percent of the additional registered share capital totaling Baht 20 million and the Company already paid in this amount.

13. 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 2018	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
Additions	120	117,592	1,791	1,809	-	121,312
Disposals/written-off	-	(44,843)	-	-	-	(44,843)
31 December 2019	48,679	4,214,141	109,477	6,705	-	4,379,002
Accumulated depreciation						
1 January 2018	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
Depreciation for the year	9,441	500,326	14,574	611	-	524,952
Depreciation on disposals/written-off	-	(37,653)	-	-	-	(37,653)
31 December 2019	31,289	2,304,376	82,123	3,171	-	2,420,959
Allowance for deterioration/loss of equipment						
1 January 2018	-	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
Increase during the year	-	966	-	-	-	966
Decrease during the year	-	(3,885)	-	-	-	(3,885)
31 December 2019	-	4,031	-	-	-	4,031
Net book value						
31 December 2018	26,711	2,292,739	40,137	2,336	-	2,361,923
31 December 2019	17,390	1,905,734	27,354	3,534	-	1,954,012
Depreciation for the year						
2018 (Baht 513 million included in cost of services, and the balance in administrative expenses)						540,596
2019 (Baht 500 million included in cost of services, and the balance in administrative expenses)						524,952

(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 2018	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
Additions	120	43,582	1,664	1,809	-	47,175
Disposals/written-off	-	(41,286)	-	-	-	(41,286)
31 December 2019	48,679	4,009,561	108,709	6,705	-	4,173,654
Accumulated depreciation						
1 January 2018	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
Depreciation for the year	9,441	480,654	14,438	611	-	505,144
Depreciation on disposals/ written-off	-	(36,595)	-	-	-	(36,595)
31 December 2019	31,289	2,243,406	81,905	3,171	-	2,359,771
Allowance for deterioration/loss of equipment						
1 January 2018	-	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
Increase during the year	-	966	-	-	-	966
Decrease during the year	-	(3,674)	-	-	-	(3,674)
31 December 2019	-	3,975	-	-	-	3,975
Net book value						
31 December 2018	26,711	2,201,235	39,578	2,336	-	2,269,860
31 December 2019	17,390	1,762,180	26,804	3,534	-	1,809,908
Depreciation for the year						
2018 (Baht 496 million included in cost of services, and the balance in administrative expenses)						523,594
2019 (Baht 481 million included in cost of services, and the balance in administrative expenses)						505,144

As at 31 December 2019, 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 501 million (2018: Baht 262 million).

14. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 31 December 2019:		
Cost	76,238	59,118
Less: Accumulated amortization	(20,682)	(16,162)
Net book value	55,556	42,956
As at 31 December 2018:		
Cost	71,907	51,991
Less: Accumulated amortization	(13,370)	(10,789)
Net book value	58,537	41,202

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	58,537	49,023	41,202	27,987
Acquisition of computer software	4,331	16,038	7,127	17,691
Amortisation	(7,312)	(6,524)	(5,373)	(4,476)
Net book value at end of year	55,556	58,537	42,956	41,202

15. Short-term loans from financial institutions

(Unit: Thousand Baht)			
	Interest rate (percent per annum)	Consolidated financial statements:	
		Separate financial statements	
		<u>2019</u>	<u>2018</u>
Short-term loans from financial institutions	2.01 - 2.30	730,000	660,000
Total		<u>730,000</u>	<u>660,000</u>

These short-term loans are unsecured.

16. Trade and other payables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Related parties</u>				
Account payables for purchases of equipment	21,259	20,067	9,570	19,590
Other payables	20,018	16,946	33,551	77,941
Accrued expenses	<u>4,665</u>	<u>2,513</u>	<u>6,237</u>	<u>4,198</u>
	<u>45,942</u>	<u>39,526</u>	<u>49,358</u>	<u>101,729</u>
<u>Unrelated parties</u>				
Trade payables	192,439	316,364	191,842	315,911
Other payables	228,614	239,597	228,417	239,496
Advance received from customer	929	355	929	355
Accrued expenses	<u>141,184</u>	<u>163,573</u>	<u>140,029</u>	<u>160,884</u>
	<u>563,166</u>	<u>719,889</u>	<u>561,217</u>	<u>716,646</u>
Total trade and other payables	<u>609,108</u>	<u>759,415</u>	<u>610,575</u>	<u>818,375</u>

During 2019, the Company reversed other payables of approximately Baht 173 million (2018: Baht 163 million). Such other payables were credit top-up amount for prepaid phone/money transfer that customers have not used for a period of more than 1 year amounting to approximately Baht 44 million (2019: Baht 35 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 129 million (2019: Baht 128 million) to other income in profit or loss.

17. Long-term loans

				(Unit: Thousand Baht)	
				Consolidated / Separate	
				financial statements	
Loan	Credit facility (Million Baht)	Interest rate (%)	Repayment schedule	2019	2018
1	100	Fixed interest rate	36 monthly installments (ending in 2019)	-	8,333
2	200	Fixed interest rate	36 monthly installments (ending in 2019)	-	30,542
3	200	Refer to 1M THBFIX + ϵ margin as stipulated in the agreement	36 monthly installments (ending in 2019)	-	63,889
4	200	Fixed interest rate	36 monthly installments (ending in 2020)	33,333	100,000
5	200	Refer to 1M THBFIX + ϵ margin as stipulated in the agreement	36 monthly installments (ending in 2020)	52,778	119,445
6	200	Fixed interest rate	36 monthly installments (ending in 2020)	49,880	116,600
7	200	Fixed interest rate	33 monthly installments (ending in 2020)	74,000	146,600
Total				209,991	584,809
Less: Current portion				(209,991)	(380,373)
Long-term loans - net of current portion				-	204,436

17.1 In 2017, the Company entered into interest rate swap agreements of the loan credit facility No. 5 amounting to Baht 200 million to swap fixed interest rates as stipulated in the agreements in order to hedge the interest rate risk of these loans.

17.2 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.

18. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Provision for long-term employee benefits				
at beginning of year	7,231	3,228	7,231	3,228
Included in profit or loss:				
Current service cost	3,126	1,410	3,126	1,410
Interest cost	408	168	408	168
Past service cost	2,102	-	2,102	-
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>12,867</u>	<u>7,231</u>	<u>12,867</u>	<u>7,231</u>

The Company expects no payment of long-term employee benefits during the next year (2018: nil).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 28 years (2018: 28 years).

Significant actuarial assumptions are summarised below.

	Consolidated/Separate	
	financial statements	
	<u>2019</u>	<u>2018</u>
	(percent per annum)	(percent per annum)
Discount rate	2.7	2.7
Future salary increase rate	7.5	7.5
Turnover rate	0.0 - 22.9	0 - 22.9

The result of sensitivity analysis for significant assumptions that affect the present value of the long term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit: Thousand Baht)			
	2019		2018	
	Consolidated/Separate financial statements		Consolidated/Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2,467)	3,139	(1,416)	1,810
Salary increase rate	3,120	(2,499)	1,713	(1,378)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(178)	244	(96)	132

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 2.3 million as a result. The Company reflected the effect of the change by recognising past service costs as expenses in the profit or loss of the second quarter of 2019.

19. 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	
	2019	2018	2019	2018
Total receipt amount from rendering of top-up service for prepaid phone and receipt of other online services	40,074,401	41,643,254	40,042,208	41,617,233
Less: Cost of prepaid phone and receipt of other online services which is cost of telephone network operators and online service providers	(38,214,339)	(39,725,819)	(38,200,646)	(39,725,422)
Income from rendering of services through online top-up machines	1,860,062	1,917,435	1,841,562	1,891,811

During the years ended 31 December 2019 and 2018, the Company received amount through online top-up machines as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Total receipt amount through online top-up machines	40,204,572	41,777,108	40,171,085	41,749,660

20. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Corporate income tax charge	78,707	78,612	75,817	76,525
Adjustment in respect of current income tax of previous year	(14)	-	(20)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,046)	(1,390)	(586)	(993)
Income tax expense reported in the profit or loss	<u>77,647</u>	<u>77,222</u>	<u>75,211</u>	<u>75,532</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit before tax	660,861	658,032	646,182	650,330
Applicable tax rate (%)	20	20	20	20
Accounting profit before tax multiplied by income tax rate	132,172	131,606	129,236	130,066
Deferred tax which was not recognised during the prior year but was utilised during the year	(7)	-	-	-
Adjustment in respect of income tax of previous year	(14)	-	(20)	-
Effects of:				
Non-deductible expenses	1,038	1,210	879	1,064
Additional expense deductions allowed	(55,553)	(56,267)	(54,884)	(55,598)
Expected unused tax loss	-	673	-	-
Others	11	-	-	-
Total	(54,504)	(54,384)	(54,005)	(54,534)
Income tax expenses reported in the profit or loss	77,647	77,222	75,211	75,532

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets				
Provision for long-term employee benefits	2,573	1,446	2,573	1,446
Allowance for deterioration / loss of equipment	795	1,390	795	1,337
Others	1,004	490	-	-
Total	4,372	3,326	3,368	2,783

21. 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 financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit for the year (Thousand Baht)	584,226	583,105	570,971	574,799
Weighted average number of ordinary shares (Thousand shares)	780,000	787,730	780,000	787,730
Earnings per share (Baht per share)	0.75	0.74	0.73	0.73

22. 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.

23. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Benefit sharing to service representatives	1,706,214	1,825,436	1,694,817	1,808,796
Depreciation and amortisation	532,264	547,120	510,517	528,070
Salaries and wages and other employee benefits	112,186	114,677	111,767	111,743
Service fees for data transfer system	101,870	101,173	101,717	100,931
Bank charge of money transfer service	151,457	137,795	151,457	137,795
Repaired expenses for top-up machines	28,184	46,553	28,184	46,553

24. Segment information

The one main reportable operating segment of the Group 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.

25. 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 2019 amounting to approximately Baht 1.5 million (2018: Baht 1.3 million) were recognised as expenses.

26. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
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
Dividends for 2018	2019 Annual General Meeting of the shareholders on 19 April 2019	249,600	0.32
Interim dividend paid from profit for the six-month period ended 30 June 2019	The Board of Directors Meeting on 8 August 2019	249,600	0.32
Total for 2019		499,200	0.64

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

2018

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 0.5 each), which accounts for not more than 2.5 percent of the total number of shares in issue. The shares were to be repurchased on the Stock Exchange of Thailand from 18 April 2018 to 17 October 2018. The share resale period was determined after 6 months from the completion date of share repurchase but no later than 3 years.

In the year 2018, the Company had fully purchased its treasury shares which was approved by the Board of Directors Meeting, 20,000,000 ordinary shares (par value of Baht 0.5 each), or 2.5 percent of total number of shares in issue, a total of approximately Baht 187 million and the Company had already appropriated the required amount of retained earnings to a reserve for the treasury shares amounting to approximately Baht 187 million.

2019

On 19 December 2019, the Board of Directors of the Company approved a share repurchase program for financial management propose with a budget of up to Baht 320 million, to repurchase no more than 45,000,000 ordinary shares (par value of Baht 0.5 each), which accounts for not more than 5.6 percent of the total number of shares in issue. The shares were to be repurchased on the Stock Exchange of Thailand from 3 January 2020 to 2 July 2020. The share resale period was determined after 6 months from the completion date of share repurchase but no later than 3 years

Subsequently, during 3 January 2020 to 19 February 2020, the Company additional purchased back 5,195,700 ordinary shares (par value of Baht 0.5 each), a total of Baht 34 million.

28. Commitments and contingent liabilities

28.1 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>2019</u>	<u>2018</u>
Payable within:		
In up to 1 year	21	18
In over 1 and up to 5 years	38	1
Over 5 years	-	1

28.2 Guarantees

- a) As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 120 million (2018: Baht 118 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.
- b) As at 31 December 2019, there were bank guarantees of approximately Baht 3 million, which have been issued by a bank to provide guarantee to the Revenue Department for any tax liabilities that would arise in relation to the tax assessment as described in Note 28.4 to the consolidated financial statements.

28.3 Other commitments

As at 31 December 2019, the Group had commitments of Baht 28 million (2018: Baht 22 million) in respect of purchased goods.

28.4 Tax assessment

In September 2019, the Company received a letter from the Revenue Department notifying it of the assessment of stamp duty for the year 2017 totaling approximately Baht 3 million (including surcharges) in relation to service agreements made with mobile operators. The Company did not agree with the assessment and has, therefore, submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department. The appeal is currently under consideration by the Committee.

However, the management of the Company believes that the assessment will not result in the Company incurring any significant losses and so no provision for the tax assessment has been recorded in the accounts.

29. Financial instruments

29.1 Financial risk management

The Group's 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, loans to service representatives, 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 Group 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 including loans to the Company's service representatives. The Group exposure to credit risk is thus expected to be minimal.

Interest rate risk

The Group are exposed to interest rate risk primarily with respect to deposits at banks, loans to services representatives, short-term loans and long-term loans which bear interest. Most of the Group's 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 2019

	Fixed interest rates			Floating interest rates	Non-interest bearing	Total	Interest rates (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	160	50	210	0.30 - 0.90
Current investment	50	-	-	-	-	50	1.50
Accrued income and other receivables	-	-	-	-	869	869	-
Loans to service representatives	22	28	-	-	3	53	5.00 - 10.00
	72	28	-	160	922	1,182	
Financial liabilities							
Short-term loans from financial institutions	730	-	-	-	-	730	2.01 - 2.30
Trade and other payables	-	-	-	-	609	609	-
Long-term loans	210	-	-	-	-	210	3.80 - 3.90
Retention received from service representatives	-	-	-	-	566	566	-
	940	-	-	-	1,175	2,115	

(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 institutions	660	-	-	-	-	660	2.20 - 2.60
Trade and other payables	-	-	-	-	759	759	-
Long-term loans	380	204	-	-	-	584	3.80 - 4.00
Retention received from service representatives	-	-	-	-	597	597	-
	1,040	204	-	-	1,356	2,600	

(Unit: Million Baht)

Separate financial statements as at 31 December 2019

	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	-	-	-	124	51	175	0.30 - 0.90
Accrued income and other receivables	-	-	-	-	856	856	-
	-	-	-	124	907	1,031	
Financial liabilities							
Short-term loans from financial institutions	730	-	-	-	-	730	2.01 - 2.30
Trade and other payables	-	-	-	-	611	611	-
Long-term loans	210	-	-	-	-	210	3.80 - 3.90
Retention received from service representatives	-	-	-	-	564	564	-
	940	-	-	-	1,175	2,115	

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 institutions	660	-	-	-	-	660	2.20 - 2.50
Trade and other payables	-	-	-	-	818	818	-
Long-term loans	380	204	-	-	-	584	3.80 - 4.00
Retention received from service representatives	-	-	-	-	595	595	-
	1,040	204	-	-	1,413	2,657	

29.2 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)	
	2019	2018
	Fair value	Fair value
	Loss	Loss
Derivatives		
Interest rate swap contracts	0.19	0.34

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

30. 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 2019, the Group's debt-to-equity ratio was 1.6:1 (2018: 2.1:1) and the Company's was 1.7:1 (2018: 2.2:1).

31. Event after the reporting period

On 20 February 2020, 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 0.66 per share from the 2019 operating results. In this regard, the Company already paid an interim dividend at Baht 0.32 per share, totaling Baht 249.6 million, during the year 2019 to the shareholders, therefore the remaining dividend payable will be Baht 0.34 per share, or totaling Baht 265.2 million.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2020.

Operational Summary in FY2019

- Net profit was Bt584mn, increasing 0.2% YoY, which is all-time highest number.
- Total revenue from core business was Bt3,147mn, decreasing 5.7% YoY.
- Number of "Boonterm kiosk" was 130,481, increasing 0.3% YoY.
- Banking agent business (of which the Company is the agent for 6 commercial banks: KTB, KANK, BAY, GSB, BAAC, and SCB) had total transactions of 1,159,351 transactions per month, increasing 25.3% YoY.
- Lending business had loan amount of Bt89mn.

Business Overview

	Quarter 4/2018	Quarter 1/2019	Quarter 2/2019	Quarter 3/2019	Quarter 4/2019	Y-2018	Y-2019	%YoY
Total usage amount through "Boonterm Kiosk" (Million Baht)	10,442	10,337	10,430	9,943	9,786	41,980	40,496	-3.5%
Total number of "Boonterm Kiosk" as the period ended (Kiosk)	130,053	129,208	129,011	130,283	130,481	130,053	130,481	0.3%
Total transaction number of money transfer per month (transaction)	925,191	975,436	954,173	996,398	1,159,351	925,191	1,159,351	25.3%

In FY2019, FSMART (or the "Company") is still the number 1 leader in online top-up kiosk business in both total transaction amount and the number of kiosks, covering all area nationwide. The Company's key strategy focuses on managing the kiosk location and adding new services to the system. For Q4/2019, the Company has added new services including AXA insurance, SIM card selling kiosk with electronic-Know-Your-Customer (e-KYC) service. The Company has also been appointed as a banking agent for two more commercial banks, namely Siam Commercial Bank (SCB) and Bank for Agriculture and Agricultural Cooperatives (BAAC), which make the Company the banking agent with highest number of banks, totally 6 banks. In addition, a subsidiary of the Company has started the personal loan business to Boonterm kiosk's Master Agents (MAs), sub-agents, MAs' employees, and FSMART affiliated companies' employees since the middle of December. The Company also offered CRM activities, including reward points program, to increase the usage frequency on existing customers and encourage new customers.

For the operating result in FY2019, the total transaction amount was Bt40,496mn, decreasing 3.5% YoY. However, the money transfer service, of which the Company is the banking agent for 6 banks, has been growing consistently with 1,159,351 transactions per month, increasing 25.3% YoY, as well as the e-Wallet and internet package top-up. Total revenue from core businesses was Bt3,147mn, decreasing 5.7% YoY. However, as a result of the costs control measurement on both service costs and administrative expenses as well as the lower financial costs, the Company's net profit was Bt584mn, increasing 0.2% YoY. As at the end of FY2019, the total number of "Boonterm Kiosk" is 130,481 kiosks, increasing 0.3% YoY, with total 21 million active subscribers and total 1.9 million transactions per day.

Financial Statement Summary in FY2019

Statement of Comprehensive Income

Statement of Comprehensive Income	Q4/2018		Q3/2019		Q4/2019		%QoQ	%YoY	Y/2018		Y/2019		%YoY
	MB	%	MB	%	MB	%			MB	%	MB	%	
Income from rendering of top-up service for prepaid phone and other online service (Commission)	339.36	41.4%	310.09	39.8%	290.48	38.0%	-6.3%	-14.4%	1,600.54	41.9%	1,266.13	40.2%	-9.6%
Income from rendering of service through online top-up machines "Boonterm Kiosk" (Service Charge)	472.76	57.7%	466.66	59.8%	460.66	60.3%	-1.3%	-2.6%	1,917.43	57.4%	1,860.06	59.1%	-3.0%
Advertising income	7.15	0.9%	3.41	0.4%	13.20	1.7%	287.1%	84.6%	21.07	0.6%	21.16	0.7%	0.4%
Total revenue from core business (3 items)	819.27	100.0%	780.16	100.0%	764.34	100.0%	-2.0%	-4.7%	3,339.04	100.0%	3,147.35	100.0%	-5.7%
Cost of services	(652.92)	-79.7%	(622.36)	-79.7%	(599.48)	-78.4%	-3.7%	-6.2%	(2,631.21)	-78.7%	(2,491.76)	-79.2%	-5.3%
Gross profit	166.35	20.3%	157.80	20.2%	164.86	21.6%	4.5%	-0.3%	707.83	21.2%	655.59	20.8%	-7.4%
Service & administrative expenses	(56.57)	-6.9%	(54.81)	-7.0%	(61.26)	-8.0%	11.8%	8.3%	(242.16)	-7.3%	(224.80)	-7.1%	-7.2%
Operating profit	109.78	13.4%	102.99	13.2%	103.60	13.6%	0.6%	-5.6%	465.67	14.0%	430.79	13.7%	-7.5%
Other income	64.20	7.8%	68.61	8.8%	68.50	9.0%	-0.2%	6.7%	252.72	7.6%	271.21	8.6%	7.3%
Sales profit	0.26	0.0%	0.06	0.0%	0.19	0.0%	216.7%	-26.9%	1.65	0.1%	0.29	0.0%	-82.4%
Profit before finance cost and income tax expenses	174.24	21.3%	171.66	22.0%	172.29	22.5%	0.4%	-1.1%	720.04	21.6%	702.29	22.3%	-2.5%
Bank charge	(3.16)	-0.4%	(2.21)	-0.3%	(2.12)	-0.3%	-4.1%	-32.9%	(18.32)	-0.6%	(10.03)	-0.3%	-45.3%
Interest expenses	(10.37)	-1.3%	(7.13)	-0.9%	(6.49)	-0.9%	-9.0%	-37.4%	(43.69)	-1.3%	(31.40)	-1.0%	-28.1%
Profit before income tax expenses	160.71	19.6%	162.32	20.8%	163.68	21.4%	0.8%	1.3%	658.03	19.7%	660.86	21.0%	0.4%
Income tax expense	(19.07)	-2.3%	(18.59)	-2.4%	(18.20)	-2.4%	-2.1%	-4.6%	(77.22)	-2.3%	(77.65)	-2.5%	0.6%
Net profit	141.64	17.3%	143.73	18.4%	145.48	19.0%	1.2%	2.7%	580.81	17.4%	583.21	18.5%	0.4%
Non-controlling interests of the subsidiaries	(0.64)	-0.1%	(0.05)	0.0%	(0.21)	0.0%	100.0%	100.0%	(2.29)	-0.1%	(1.02)	0.0%	100.0%
Net profit - Equity holders of the Company	142.28	17.4%	143.78	18.4%	145.69	19.1%	1.3%	2.4%	583.10	17.5%	584.23	18.6%	0.2%

Total Revenue

Total revenue from the core business in FY2019 was Bt3,147.35mn, decreasing 5.7% YoY, mainly from a decrease of mobile top-up value according to the customer's behavior that prefer using data package top-up, the marketing campaigns to promote SIM card sales, and Post-paid and e-Wallet usages, and the increase in number of competitors' kiosks, as well as a decrease of the middle-to-low income population's purchasing power. The details of total revenue are as follows:

- 1) **Income from rendering of top-up service for prepaid phone and receipt of online services (Commission)** was Bt1,266.13mn, decreasing 9.6% YoY.
- 2) **Income from rendering of services through online top-up machines (Service Charge)** was Bt1,860.06mn, decreasing 3.0% YoY.
- 3) **Advertising income** was Bt21.16mn, increasing 0.4% YoY.
- 4) **Other income** was Bt271.21mn, increasing 7.3% YoY as a result of adding new services to the kiosk.

Costs and Expenses

1) **Cost of services** in FY2019 was Bt2,491.76mn, representing 79.2% of total revenues from core business, decreasing 5.3% YoY partly due to a decrease of revenue offset by the lower of the Company's cost.

2) **Service & administrative expenses** in FY2019 was Bt224.80mn, representing 7.1% of total revenues from core business, decreasing 7.2% YoY, as a result of the efficiency in Company's service and administrative expenses control measurement.

Profits

1) **Gross profit** in FY2019 was Bt655.59mn, decreasing 7.4% YoY, as a result of declining in core revenue, kiosk improvement to support new business, and fully-depreciated kiosk maintenance.

2) **Net profit** in FY2019 was Bt584.23mn, increasing 0.2% YoY, as a result of the efficiency in Company's service and administrative expenses control measurement, and the lower of financial cost.

Statement of Financial Position

Statement of Financial position	31-Dec-18		31-Dec-19		Increase (Decrease)	
	M8	%	M8	%	M8	%
Current assets	1,430.87	36.5%	1,398.47	39.7%	(32.40)	-2.3%
Non-current assets	2,485.33	63.5%	2,121.70	60.3%	(363.63)	-14.6%
Total assets	3,916.20	100.0%	3,520.17	100.0%	(396.03)	-10.1%
Current liabilities	1,412.61	36.1%	1,230.19	35.0%	(182.42)	-12.9%
Interest Bearing Debt - Current	1,040.37	26.6%	940.37	26.7%	(100.00)	-9.6%
Interest Bearing Debt - Non current	204.43	5.2%	1.17	0.0%	(203.26)	-99.4%
Non-current liabilities	7.23	0.2%	12.87	0.4%	5.64	78.0%
Total liabilities	2,664.64	68.0%	2,184.60	62.1%	(480.04)	-18.0%
Total shareholders' equity	1,251.56	32.0%	1,335.57	37.9%	84.01	6.7%
Total liabilities and shareholders' equity	3,916.20	100.0%	3,520.17	100.0%	(396.03)	-10.1%

As at 31 December 2019, the Company had total assets of Bt3,520.17mn, decreasing 10.1% YoY, as a result of the Company's strategy to focus on managing existing kiosk locations, and on utilizing the fully-depreciated kiosks, which make the total assets mainly affected from the depreciation, as well as bank loan repayment.

Total liabilities were Bt2,184.60mn, decreasing 18.0% YoY, as a result of decreasing in both short-term and long-term loans.

Total shareholders' equity was Bt1,335.57mn, increasing 6.7% YoY, as a result of the FY2019 net profits of Bt584.23mn, and the interim dividend payment of Bt499.20mn.

Key Financial Ratio

Financial Ratio	Quarter 4/2018	Quarter 3/2019	Quarter 4/2019	FY2017	FY2018
Current ratio	0.58	0.57	0.64	0.58	0.64
Debt to Equity ratio	2.13	1.95	1.64	2.13	1.64
Interest Bearing Debt ratio	0.99	0.87	0.70	0.99	0.70
Return on Asset	14.3%	15.6%	15.7%	14.3%	15.7%
Return on Equity	45.1%	47.6%	45.2%	45.1%	45.2%

As at 31 December 2019, the Company had the current ratio of 0.64, increasing from previous year, as a result of the reduction in current liabilities from short-term loan repayment.

Debt to equity ratio was 1.64, decreasing from previous year, as a result of the decrease in long-term loan and the increase in shareholders' equity.

Interest-bearing debt to equity ratio was 0.70, decreasing from previous, as a result of the decrease in long-term loan and the increase in shareholders' equity.

Return on assets was 15.7%, increasing from previous, as a result of the increase in asset utilization efficiency.

Return on equity was 45.2% increasing from previous, as a result of the ability to maintain profitability, the Company's interim dividend payment.

2020 Management Outlook

Targets in 2020

- Transaction amount and revenue to grow 4-6%.
- New 1,000-2,000 Boonterm kiosks.
- CAPEX of Bt100-200mn.
- Banking agent business to grow 40-45%
- Target lending amount Bt500-800mn

Operations

- Efficient kiosk location management and adding new services.
- To add at least 1 more commercial bank from current 6 bank on the banking agent business.
- Developing Boonterm kiosk to be a one-stop financial service kiosk, i.e. cash deposit, money withdrawal, money transfer, payment, and new account opening.
- Expanding lending (PL Loan) business for Boonterm kiosk's Master Agents (MAs), sub-agents, MAs' employees, and FSMART affiliated companies' employees.
- Starting distribution business to mom-and-pop shops.

For 2020, to be in line with the fast changing of technology and consumer behavior, the Company has adjusted its vision to "the leader of kiosks network for automatic services and financial solutions with simple, convenience, fast, and secured services". Moreover, the Company has adjusted its business into 3 groups, which are the Online Top-Up & Payment Business, the Banking Agent & Lending Business, and the Distribution Platform Business in order to focus on the business development strategy.

For the Online Top-Up & Payment Business, the Company continually focuses on managing the kiosk location and adding new services to the system such as the SIM Card selling with electronic-Know-Your-Customer (e-KYC) service, as well as adding more 1,000 – 2,000 new Boonterm kiosks. The Company strategy will emphasize on cooperation with more service providers, both private and public organizations, to make the Boonterm kiosk as the highest number of services automatic kiosk. In addition, the Company will leverage its nationwide 130,000 Boonterm kiosks along with its Master Agents and sub-agents to provide convenience of accessing products and services to both existing and new customers.

For the Banking Agent & Lending Business, the Company will add more commercial banks to its banking agent ecosystem, with the target to add at least 1 more commercial bank in addition from its current 6 commercial banks, namely, Krungthai Bank (KTB), Kasikorn Bank (KBANK), Bank of Ayudhya (BAY), Government Saving Bank (GSB), Bank for Agriculture and Agricultural Cooperatives (BAAC), and Siam Commercial Bank (SCB). The Company targets to grow its transaction number by 40-45% from the previous year's. Furthermore, the Company will develop its Boonterm kiosk to be a one-stop financial service point, i.e. cash deposit, money withdrawal, money transfer, payment, and new account opening with electronic-Know-Your-Customer (e-KYC) service. For lending (PL Loan) business, the Company will target Boonterm kiosk's Master Agents (MAs), sub-agents, MAs' employees, and FSMART affiliated companies' employees with the Bt500-800mn lending amount (with 12-36 months installment contract). These targeted customers have a business relationship with the Company, which shall greatly lessen the credit default risk.

For the Distribution Platform Business, the Company focuses on the management system for all type of vending machines, namely the vending and top-up service machine, the flexible (spiral) vending machine, and the fresh roasted coffee machine. The Company will help managing the expansion of 3,000 - 4,000 machines in 2020, from the current number of 3,500 machines. The Company expects to operate the electric motorcycle charging and battery replacement service stations and electric vehicle charging stations in this year. In addition, the Company will leverage its agent network to start a distribution business with mom-and-pop shops.

The Company always focuses on strengthen and leverage its network to build more competitive advantage and expand new business opportunities to have sustainable growth and profits in the future.

General Information

Information at 31 December 2020

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	Electronic payment service provider including payment service and electronic money services (e-Money) The Company provides service for pre-paid mobile top up and online bill payment through automatic machine under trademark of "Boonterm"
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	Kanapos Sae-Tang - 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"



Forth Smart Service Public Company Limited

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