**Forth Smart Service Public Company Limited and its subsidiaries**

**Notes to interim consolidated financial statements**

**For the three-month and nine-month periods ended 30 September 2021**

**1. General information**

**1.1 General information of the Company**

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 and advertising services through online top-up machines. The registered office of the Company is at 256 Paholyothin Road, Samsennai, Phayathai, Bangkok.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most business and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**1.3 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, statement of comprehensive income, statement of changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

**1.4 Basis of consolidation**

These consolidated financial statements include the financial statements of Forth Smart Service Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There were no changes in the composition of the group during the current period.

**1.5 New financial reporting standards**

**a) Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group’s financial statements.

**1.6 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

**2. Related party transactions**

During the periods, 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, subsidiaries and those related parties.

|  |  | (Unit: Million Baht) | | | |
| --- | --- | --- | --- | --- | --- |
|  |  | For the three-month periods ended 30 September | | | |
|  | Pricing policy | Consolidated financial statements | | Separate  financial statements | |
|  |  | 2021 | 2020 | 2021 | 2020 |
| Transactions with parent company |  |  |  |  |  |
| Purchases of equipment for installation of online top-up machines | Cost plus margin | 6 | 1 | 6 | - |
| Service and administrative expenses | Agreed rate | - | 1 | - | 2 |
| Rental expenses | Agreed rate | 5 | 5 | 5 | 5 |
| Purchases of vending machines | Agreed rate | - | 7 | - | - |
| Transactions with subsidiary companies |  |  |  |  |  |
| (Eliminated from the consolidated financial statements) |  |  |  |  |  |
| Other income | Agreed rate | - | - | 2 | 1 |
| Purchases of intangible assets | Agreed rate | - | - | - | 1 |
| Transactions with related companies |  |  |  |  |  |
| Purchases of equipment for installation of online top-up machines | Cost plus margin | 25 | 19 | 25 | 18 |
| Commission expenses | Agreed rate | - | 1 | - | 1 |
| Other income | Agreed rate | - | 1 | - | 1 |
| Rental expenses | Agreed rate | 1 | 1 | 1 | 1 |

|  |  | (Unit: Million Baht) | | | |
| --- | --- | --- | --- | --- | --- |
|  |  | For the nine-month periods ended 30 September | | | |
|  | Pricing policy | Consolidated  financial statements | | Separate  financial statements | |
|  |  | 2021 | 2020 | 2021 | 2020 |
| Transactions with parent company |  |  |  |  |  |
| Purchases of equipment for installation of online top-up machines | Cost plus margin | 15 | 1 | 15 | - |
| Service and administrative expenses | Agreed rate | 2 | 3 | 2 | 2 |
| Rental expenses | Agreed rate | 14 | 14 | 14 | 14 |
| Purchase of vending machines | Agreed rate | - | 7 | - | - |
| Purchases of intangible assets | Agreed rate | 1 | 8 | 1 | 7 |
| Transactions with subsidiary companies |  |  |  |  |  |
| (Eliminated from the consolidated financial statements) |  |  |  |  |  |
| Other income | Agreed rate | - | - | 1 | 2 |
| Purchases of intangible assets | Agreed rate | - | - | 7 | 6 |
| Transactions with related companies |  |  |  |  |  |
| Purchases of equipment for installation of online top-up machines | Cost plus margin | 60 | 40 | 59 | 39 |
| Commission expenses | Agreed rate | 1 | 3 | 1 | 3 |
| Rental expenses | Agreed rate | 2 | 2 | 2 | 2 |
| Other income | Agreed rate | 2 | 3 | 2 | 3 |

As at 30 September 2021 and 31 December 2020, the balances of the accounts between the Company and those related parties were as follows:

|  | (Unit: Thousand Baht) | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Consolidated  financial statements | | | | Separate  financial statements | | |
|  | | 30 September 2021 | | 31 December 2020 | | 30 September 2021 | | 31 December 2020 |
|  | |  | | (Audited) | |  | | (Audited) |
| **Accrued income - related parties (Note 4)** | |  | |  | |  | |  |
| Parent company | | 16 | | 16 | | - | | - |
| Subsidiaries | | - | | - | | 184 | | 353 |
| **Total** | | 16 | | 16 | | 184 | | 353 |
| **Other receivables - Service representative - related parties (Note 4)** | |  | |  | |  | |  |
| Related companies (1) | | 35 | | 103 | | 35 | | 103 |
| **Total** | | 35 | | 103 | | 35 | | 103 |
| **Other receivables - related parties (Note 4)** | |  | |  | |  | |  |
| Parent company | | - | | 7 | | - | | 7 |
| Subsidiaries | | - | | - | | 24,045 | | 18,838 |
| Related companies (1) | | 707 | | 454 | | 707 | | 454 |
| **Total** | | 707 | | 461 | | 24,752 | | 19,299 |
| **Other current assets - related parties** | |  | |  | |  | |  |
| Parent company | | 1,209 | | 1,931 | | 1,209 | | 1,931 |
| Subsidiaries | | - | | - | | - | | 9 |
| Related companies (1) | | 15 | | - | | 15 | | - |
| **Total** | | 1,224 | | 1,931 | | 1,224 | | 1,940 |
| **Right-of-use assets - related parties** | |  | |  | |  | |  |
| Parent company | | 125,254 | | 136,757 | | 125,254 | | 136,757 |
| Related companies (1) | | 9,943 | | 11,409 | | 9,943 | | 11,409 |
| **Total** | | 135,197 | | 148,166 | | 135,197 | | 148,166 |
| **Trade and other payables - related parties (Note 15)** | |  | |  | |  | |  |
| Parent company | | 1,167 | | 145 | | 1,166 | | 145 |
| Subsidiaries | | - | | - | | 30,067 | | 25,816 |
| Related companies (1), (2) | | 52,778 | | 41,572 | | 52,268 | | 41,284 |
| **Total** | | 53,945 | | 41,717 | | 83,501 | | 67,245 |
| **Lease liabilities - related parties** | |  | |  | |  | |  |
| Parent company | | 129,362 | | 139,295 | | 129,362 | | 139,295 |
| Related companies (1) | | 1,849 | | 1,976 | | 1,849 | | 1,976 |
| **Total** | | 131,211 | | 141,271 | | 131,211 | | 141,271 |
|  | |  | |  | |  | |  |
| Relationship with the related company | |  | |  | |  | |  |
| 1. Related by same director and management | |  | |  | |  | |  |
| 1. Related by related person of the Company’s management | | |  | |  | |  | |

Directors and management’s benefits

During the three-month and nine-month periods ended 30 September 2021 and 2020, the Company had employee benefit expenses payable to their directors and management as summarised below.

|  |  |  |
| --- | --- | --- |
|  |  | (Unit: Thousand Baht) |
|  | For the three-month periods ended 30 September | |
|  | Consolidated/Separate financial statements | |
|  | 2021 | 2020 |
| Short-term employee benefits | 3,101 | 2,417 |
| Post-employment benefits | 252 | 1,013 |
| Total | 3,353 | 3,430 |

|  |  |  |
| --- | --- | --- |
|  |  | (Unit: Thousand Baht) |
|  | For the nine-month periods ended 30 September | |
|  | Consolidated/Separate financial statements | |
|  | 2021 | 2020 |
| Short-term employee benefits | 10,027 | 7,799 |
| Post-employment benefits | 756 | 3,039 |
| Total | 10,783 | 10,838 |

**3. Cash and cash equivalents**

| (Unit: Thousand Baht) | | | | |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |
| Cash | 1,592 | 1,123 | 1,562 | 1,095 |
| Bank deposit | 309,526 | 434,783 | 206,578 | 332,532 |
| Deposits at banks with restrictions | 591 | 606 | 591 | 606 |
| Total | 311,709 | 436,512 | 208,731 | 334,233 |

As at 30 September 2021, deposits at banks with restrictions amounting to Baht 0.6 million (31 December 2020: Baht 0.6 million) were bank deposits maintained at minimum levels for advance received from customers in accordance with the notification of the Bank of Thailand regarding “Stipulation of Guidelines, Procedures and Conditions for Electronic Money Business”, this required the Company to maintain, at all times, bank deposits in an amount not less than the amount of deposits received from customers.

**4. Accrued income and other receivables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Thousand Baht) | | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |
| **Related parties** |  |  |  |  |
| Accrued income | 16 | 16 | 184 | 353 |
| Other receivables - Service representatives | 35 | 103 | 35 | 103 |
| Other receivables | 707 | 461 | 24,752 | 19,299 |
|  | 758 | 580 | 24,971 | 19,755 |
| **Unrelated parties** |  |  |  |  |
| Accrued income | 67,886 | 87,611 | 51,980 | 71,526 |
| Other receivables - Service representatives | 636,290 | 683,640 | 636,290 | 683,640 |
| Other receivables | 14,988 | 22,018 | 14,899 | 21,940 |
|  | 719,164 | 793,269 | 703,169 | 777,106 |
| Total accrued income and other receivables | 719,922 | 793,849 | 728,140 | 796,861 |
| Less: Allowance for expected credit losses | (542) | (795) | (542) | (795) |
| Total accrued income and other receivables - net | 719,380 | 793,054 | 727,598 | 796,066 |

**5. Inventories**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | | | |
|  | Consolidated financial statements | | | | | |
|  | Cost | | Reduce cost to net realisable value | | Inventories - net | |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |  | (Audited) |
| Assembly spare parts and installation | 42,217 | 58,277 | (5,186) | (1,989) | 37,031 | 56,288 |
| Total inventories | 42,217 | 58,277 | (5,186) | (1,989) | 37,031 | 56,288 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | | | |
|  | Separate financial statements | | | | | |
|  | Cost | | Reduce cost to net realisable value | | Inventories - net | |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |  | (Audited) |
| Assembly spare parts and installation | 37,394 | 53,367 | (5,186) | (1,989) | 32,208 | 51,378 |
| Total inventories | 37,394 | 53,367 | (5,186) | (1,989) | 32,208 | 51,378 |

During the nine-month period ended 30 September 2021, the Company reduced cost of inventories by Baht 3 million (the Company only: Baht 3 million), to reflect the net realisable value. This was included in cost of services.

**6. Loans receivable - net**

Loans receivable as at 30 September 2021 and 31 December 2020, are loans provided to service representatives and personal loans receivable of Forth Smart Capital Company Limited (the subsidiary). Details are as follows.

|  | (Unit: Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | |
|  | Amount due | | | | | |
|  | Within 1 year | | Over 1 year | | Total | |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |  | (Audited) |
| Loans receivable and accrued interest | 43,368 | 42,203 | 65,717 | 52,795 | 109,085 | 94,998 |
| Less: Accrued interest | (1,076) | (597) | - | - | (1,076) | (597) |
| Less: Allowance for expected credit losses | (6,881) | (3,000) | (4,319) | (2,640) | (11,200) | (5,640) |
| Loans receivable - net | 35,411 | 38,606 | 61,398 | 50,155 | 96,809 | 88,761 |

As at 30 September 2021, such loans carry effective interest at rates between 5 percent to 25 percent per annum (31 December 2020: 5 percent to 25 percent per annum) and the terms of the agreements are generally between 1 year to 8 years (31 December 2020: 1 year to 5 years). The loans are unsecured.

As at 30 September 2021 and 31 December 2020, the balances of loans to service representatives and personal loans receivable classified by aging are as follows.

|  | Consolidated financial statements | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Loans receivable  (Thousand Baht) | | Rate of allowance for expected credit losses  (Percent) | | Allowance for  expected credit losses  (Thousand Baht) | |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |  | (Audited) |
| Not yet due or past due not more than 1 month | 96,999 | 87,752 | 1 | 1 | 942 | 843 |
| Past due 1 to 3 months | 1,865 | 2,499 | 2 | 2 | 37 | 50 |
| Past due 3 to 6 months | 4,605 | 2,269 | 100 | 100 | 4,605 | 2,269 |
| Past due 6 to 12 months | 2,999 | 2,205 | 100 | 100 | 2,999 | 2,205 |
| Past due over 12 months | 2,617 | 273 | 100 | 100 | 2,617 | 273 |
| Total | 109,085 | 94,998 |  |  | 11,200 | 5,640 |
| Less: Accrued interest | (1,076) | (597) |  |  |  |  |
| Less: Allowance for expected credit losses | (11,200) | (5,640) |  |  |  |  |
| Loans receivable - net | 96,809 | 88,761 |  |  |  |  |

**7. Financial lease receivables - net**

Financial lease receivables represent receivables under telephone lease agreements of Forth Smart Capital Company Limited (the subsidiary). The finance lease agreements stipulates that the debtors is to settle the installments following finance lease agreement to the subsidiary totally 24 equally installments, with interest charged at fixed rate throughout the agreements. Balance and movement of finance lease receivables during the nine-month period ended 30 September 2021 were summarised below.

|  | (Unit: Thousand Baht) | | |
| --- | --- | --- | --- |
|  | Consolidated financial statements | | |
|  | 30 September 2021 | | |
|  | Portion due within one year | Portion due after one year | Total |
| Finance leases receivables | 6,094 | 5,633 | 11,727 |
| Less: Unearned interest income | (976) | (901) | (1,877) |
| Present value of minimum lease payment | 5,118 | 4,732 | 9,850 |

|  |  |
| --- | --- |
|  | (Unit: Thousand Baht) |
|  | Consolidated financial statements |
| **Balance as at 31 December 2020** | - |
| Increase during the period | 10,158 |
| Collection during the period | (308) |
| **Balance as at 30 September 2021** | 9,850 |
| Less: Current portion of finance lease receivables | (5,118) |
| **Finance lease receivables - net of current portion** | 4,732 |

**8. 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 | |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |  | (Audited) |
|  | (Thousand Baht) | (Thousand Baht) | (percent) | (percent) | (Thousand Baht) | (Thousand Baht) |
| **Subsidiary directly held by the Company** |  |  |  |  |  |  |
| Forth Smart Capital Co., Ltd. | 300,000 | 300,000 | 99.99 | 99.99 | 299,970 | 299,970 |
| Forth Smart Distribution Co., Ltd. | 150,000 | 50,000 | 99.97 | 99.97 | 149,955 | 49,985 |
| **Subsidiary held by Forth Smart Capital Co., Ltd.** |  |  |  |  |  |  |
| Forth Smart Digital Co., Ltd. | 25,000 | 25,000 | 99.99 | 99.99 | - | - |
| **Total investment in subsidiaries** | |  |  |  | 449,925 | 349,955 |

In the second quarter of this year, Forth Smart Distribution Company Limited (the subsidiary), called up additional 50% of its par value or a total of Baht 99.97 million, and the Company had already paid in the called up shares.

**9. Other non-current financial assets**

Details of other non-current financial assets are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Thousand Baht) | | | | |
| Company’s name | Consolidated financial statements | | Separate  financial statements | |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |
| Forth Vending Co., Ltd. | 102,000 | 67,000 | 102,000 | 67,000 |
| Box 24 Co., Ltd. | 11,152 | 11,152 | - | - |
| Total | 113,152 | 78,152 | 102,000 | 67,000 |

On 5 March 2021, the Extraordinary General Meeting of Shareholders of Forth Vending Company Limited (the subsidiary), passed a resolution to approve an increase in the registered share capital from Baht 670 million (67,000,000 ordinary shares with a par value of Baht 10 each) to Baht 1,070 million (107,000,000 ordinary shares with a par value of Baht 10 each) through the issuance of 40,000,000 additional ordinary shares with a par value of Baht 10 each to the existing shareholders. The Company acquired 14,000,000 ordinary shares with a par value of Baht 10 each, amounting to Baht 140 million.

On 12 May 2021, Forth Vending Company Limited, called up 25% of its par value or Baht 35 million, and the Company had already paid in the called up shares.

**10. Leasehold improvement and equipment**

Movements of the leasehold improvement and equipment account during the nine-month period ended 30 September 2021 were summarised below.

|  |  |  |
| --- | --- | --- |
| (Unit: Thousand Baht) | | |
|  | Consolidated financial statements | Separate financial statements |
| **Net book value as at 31 December 2020 (Audited)** | 1,510,957 | 1,384,171 |
| Acquisitions during the period - at cost | 84,287 | 82,558 |
| Disposal during the period - net book value at disposal dates | (215) | (194) |
| Written-off during the period - net book value at write-off dates | (1,533) | (1,533) |
| Depreciation for the period | (368,518) | (345,644) |
| Reversal of allowance for deterioration/ loss of equipment for the period | 424 | 418 |
| **Net book value as at 30 September 2021** | 1,225,402 | 1,119,776 |

**11. Right-of-use assets**

Movement of the right-of-use assets during nine-month period ended 30 September 2021 were summarised below.

|  | (Unit: Thousand Baht) |
| --- | --- |
|  | Consolidated/Separate financial statements |
| **Net book value as at 31 December 2020 (Audited)** | 159,841 |
| Addition | 1,844 |
| Depreciation for the period | (15,000) |
| **Net book value as at 30 September 2021** | 146,685 |

**12. Intangible assets**

Movement of the intangible assets during the nine-month period ended 30 September 2021 were summarised below.

|  | (Unit: Thousand Baht) | |
| --- | --- | --- |
|  | Consolidated financial statements | Separate financial statements |
| **Net book value as at 31 December 2020 (Audited)** | 64,795 | 56,419 |
| Acquisition during the period | 7,508 | 9,848 |
| Amortisation for the period | (7,121) | (6,099) |
| **Net book value as at 30 September 2021** | 65,182 | 60,168 |

**13. Short-term loans from financial institutions**

|  |  |  |  |
| --- | --- | --- | --- |
| (Unit: Thousand Baht) | | | |
|  | Interest rate (Percent per annum) | Consolidated/Separate  financial statements | |
|  |  | 30 September  2021 | 31 December 2020 |
|  |  |  | (Audited) |
| Short-term loans from financial institutions | 1.70 - 1.90 | 400,000 | 850,000 |
| Total | | 400,000 | 400,000 |

These short-term loans are unsecured.

**14. Short-term loans from a subsidiary**

Short-term loans from a subsidiary represents short-term loans obtained from Forth Smart Capital Company Limited amounted to Baht 100 million, bearing interest at a rate of 1.7% per annum. Such loans are unsecured and due on demand.

**15. Trade and other payables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 30 September  2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |  | (Audited) |
| **Related parties** |  |  |  |  |
| Account payables for purchases of equipment | 27,788 | 19,020 | 27,277 | 18,732 |
| Other payables | 19,357 | 18,809 | 46,240 | 41,132 |
| Accrued expenses | 6,800 | 3,888 | 9,984 | 7,381 |
|  | 53,945 | 41,717 | 83,501 | 67,245 |
| **Unrelated parties** |  |  |  |  |
| Trade payables | 197,731 | 238,535 | 196,960 | 238,349 |
| Other payables | 214,943 | 211,886 | 214,135 | 211,692 |
| Advance received from customer | 590 | 606 | 590 | 606 |
| Accrued expenses | 127,797 | 140,476 | 125,454 | 137,851 |
|  | 541,061 | 591,503 | 537,139 | 588,498 |
| Total trade and other payables | 595,006 | 633,220 | 620,640 | 655,743 |

During the nine-month period ended 30 September 2021, the Company reversed other payables of approximately Baht 117 million (2020: Baht 126 million). Such other payables were credit top-up amount for prepaid phone or money transfer that customers have not used for a period of more than 1 year amounting to approximately Baht 34 million (2020: Baht 34 million) and the amount from unsuccessful money top-up for which customers did not claim the refund for more than 1 year amounting to approximately Baht 83 million (2020: Baht 92 million) to other income in profit or loss.

**16. Lease liabilities**

|  | (Unit: Thousand Baht) | |
| --- | --- | --- |
|  | Consolidated/Separate financial statements | |
|  | 30 September 2021 | 31 December 2020 |
|  |  | (Audited) |
| Lease payments | 167,271 | 181,669 |
| Less: Deferred interest expenses | (24,194) | (28,546) |
| Total | 143,077 | 153,123 |
| Less: Portion due within one year | (16,424) | (15,031) |
| **Lease liabilities - net of current portion** | 126,653 | 138,092 |

**17. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2021 and 2020 are made up as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | | (Unit: Thousand Baht) | | |
|  | For the three-month periods ended 30 September | | | | |
|  | Consolidated  financial statements | | | Separate  financial statements | |
|  | 2021 | 2020 | | 2021 | 2020 |
| **Current income tax:** |  |  | |  |  |
| Interim corporate income tax charge | 18,086 | 15,260 | | 17,997 | 14,432 |
| **Deferred tax:** |  |  | |  |  |
| Relating to origination and reversal of temporary differences | (591) | (1,024) | | (154) | (650) |
| **Income tax expenses reported in the statements of comprehensive income** | 17,495 | 14,236 | | 17,843 | 13,782 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | |
|  | For the nine-month periods ended 30 September | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| **Current income tax:** |  |  |  |  |
| Interim corporate income tax charge | 64,998 | 39,746 | 64,490 | 37,620 |
| Adjustment in respect of income tax of previous year | 14 | (5) | 22 | (5) |
| **Deferred tax:** |  |  |  |  |
| Relating to origination and reversal of temporary differences | (2,219) | (1,983) | (776) | (1,029) |
| **Income tax expenses reported in the statements of comprehensive income** | 62,793 | 37,758 | 63,736 | 36,586 |

**18. Earnings per share**

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

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

|  | For the three-month periods ended 30 September | | | |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Profit for the period (Thousand Baht) | 95,010 | 122,935 | 95,045 | 121,975 |
| Weighted average number of ordinary shares (Thousand shares) | 753,141 | 753,160 | 753,141 | 753,160 |
| Earnings per share (Baht per share) | 0.13 | 0.16 | 0.13 | 0.16 |
|  |  | | | |
|  | For the nine-month periods ended 30 September | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2021 | 2020 | 2021 | 2020 |
| Profit for the period (Thousand Baht) | 319,282 | 353,768 | 326,555 | 345,539 |
| Weighted average number of ordinary shares (Thousand shares) | 753,141 | 762,382 | 753,141 | 762,382 |
| Earnings per share (Baht per share) | 0.42 | 0.46 | 0.43 | 0.45 |

**19. 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.

**20. Dividends**

|  |  |  |  |
| --- | --- | --- | --- |
| Dividends | Approved by | Total dividends | Dividend per share |
|  |  | (Thousand Baht) | (Baht) |
| Interim dividend paid from profit for the year ended 31 December 2019 | The Board of Directors’ meeting on 26 March 2020 | 262,590 | 0.34 |
| Interim dividend paid from profit for the six-month period ended 30 June 2020 | The Board of Directors’ meeting on 13 August 2020 | 225,942 | 0.30 |
| Total |  | 488,532 | 0.64 |
|  |  |  |  |
| Dividend for the year 2020 | The 2021 Annual General Meeting on 21 April 2021 | 225,940 | 0.30 |
| Interim dividend paid from profit for the six-month period ended 30 June 2021 | The Board of Directors’ meeting on 10 August 2021 | 195,816 | 0.26 |
| Total |  | 421,756 | 0.56 |

**21. Commitments and contingent liabilities**

**21.1 Guarantees**

As at 30 September 2021, there were outstanding bank guarantees of approximately Baht 147 million (31 December 2020: Baht 129 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

**21.2 Capital commitments**

As at 30 September 2021, the subsidiary had capital commitments of approximately Baht 25 million, (31 December 2020: Baht 23 million) relating to the purchases of oil vending machines, SIM card vending machines, equipment of online top-up machines and computer software.

**21.3 Other commitments**

As at 30 September 2021, the Group had commitments of Baht 31 million (31 December 2020: Baht 17 million) in respect of the goods purchase agreements.

**21.4 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 2014 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.

Consequently, on 3 December 2020, the Tax Appeal Committee considered to release tax following the letter for the assessment of stamp duty due to such agreements had not the document which specified in stamp duty accounts, therefore, the Company has no obligation to pay such stamp duty. In addition, the Company redeemed a bank guarantees issued by a bank on behalf of the Company in relation to the tax assessment on 4 February 2021.

**22. Event after the reporting period**

**22.1 Treasury shares**

On 11 November 2021, the Company’s Board of Director meeting passed a resolution approving the reduction of the Company’s registered and paid-up share capital of Baht 10 million from Baht 400 million (800 million ordinary shares with a par value of Baht 0.5 par value) to Baht 390 million (780 million ordinary shares with a par value of Baht 0.5 par value) by cancelling the 20 million treasury shares under the share repurchase program for financial management purpose as approved by the Board of Directors dated 30 March 2018 due to expiration of the resale period.

**22.2 Establishment of new joint venture plan**

On 11 November 2021, the Company’s Board of Director meeting passed a resolution to acknowledge the plan to establish a new joint venture with Sabuy Technology Public Company Limited, with a registered share capital of Baht 20 million (2,000,000 ordinary shares with a par value of Baht 10 each). The Company and such company will hold interest of 50% each in such joint venture.

**23. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company’s Board of Directors on 11 November 2021.