**THE BROOKER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017**

1. GENERAL INFORMATION

**1.1 General matter**

The Company was incorporated as a limited company under the Civil and Commercial Code on March 9, 1994, and changed its status to a Public Company Limited under the Public Company Limited Act on August 21, 2000. The address of the head office is 26th Fl., The Trendy Building, 10/190-193 Soi.Sukhumvit 13, Sukhumvit Road, Khaeng Klong Toey Nua, Khet Wattana, Bangkok. The Company operates in Thailand and the main business is Business and Financial Consulting, Investments.

**1.2 Basis for preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standards No. 34 (revised 2016) “Interim Financial Reporting”, which the Company and its subsidiaries choose to present condensed interim financial statements. However, the Company and its subsidiaries have presented the statements of financial position, income, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements. The interim financial statements provide the update information. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2016.

The accounting policies and the calculation basis used in this interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2016, except in the cases that the Group have adopted the new and revised TFRS which are effective for financial statement year beginning on or after 1 January 2017 as disclosed in Note 1.3. However, the adoptions of the said financial reporting standards do not have material effect on the Group’s financial statements.

The consolidated financial statements for the three-month and nine-month periods ended September 30, 2017, has included the financial statements of overseas subsidiaries (Brooker International Company Limited and Brooker Dunn Asset Advisory Limited). The financial statements for those subsidiaries reflect total assets as of September 30, 2017 amount of Baht 1,093 million, (equivalent to 38.86% of total assets in the consolidated financial statement), total liabilities amount of Baht 102.48 million (equivalent to 33.97% of total liabilities in the consolidated financial statement) and net profit for the nine-month and the three-month periods then ended amounting Baht 293.33 million and Baht 224.80 million respectively, (equivalent to 89.27% and 96.65% of net profit in the consolidated financial statement).

The interim consolidated financial statements include the financial statements of The Brooker Group Public Company Limited and its subsidiary companies after which the balances and significant intercompany transactions have been eliminated.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

**1.3 ADOPTION OF NEW FINANCIAL REPORTING STANDARDS**

**1.3.1 Financial reporting standards which are effective for the current period**

During the period, the Company and its subsidiaries adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after January 1, 2017. Adoption of the above financial reporting standards in the current period does not have material effect on the financial statements.

**1.3.2** **Financial reporting standards which are not effective for the current period**

During the period, the Federation of Accounting Professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2018 as follows.

|  |  |
| --- | --- |
| Accounting Standards | |
|  | TAS 1 Presentation of Financial Statements (revised 2017) |
|  | TAS 2 Inventories (revised 2017) |
|  | TAS 7 Statement of Cash Flows (revised 2017) |
|  | TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2017) |
|  | TAS 10 Events after the Reporting Period (revised 2017) |
|  | TAS 11 Construction Contracts (revised 2017) |
|  | TAS 12 Income Taxes (revised 2017) |
|  | TAS 16 Property, Plant and Equipment (revised 2017) |
|  | TAS 17 Leases (revised 2017) |
|  | TAS 18 Revenue (revised 2017) |
|  | TAS 19 Employee Benefits (revised 2017) |
|  | TAS 20 Accounting for Government Grants and Disclosure of Government |
|  | Assistance (revised 2017) |
|  | TAS 21 The Effects of Changes in Foreign Exchange Rates (revised 2017) |
|  | TAS 23 Borrowing Costs (revised 2017) |
|  | TAS 24 Related Party Disclosures (revised 2017) |
|  | TAS 26 Accounting and Reporting by Retirement Benefit Plans (revised 2017) |
|  | TAS 27 Separate Financial Statements (revised 2017) |
|  | TAS 28 Investments in Associates and Joint Ventures (revised 2017) |
|  | TAS 29 Financial Reporting in Hyperinflationary Economies (revised 2017) |
|  | TAS 33 Earnings per Share (revised 2017) |
|  | TAS 34 Interim Financial Reporting (revised 2017) |
|  | TAS 36 Impairment of Assets (revised 2017) |
|  | TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2017) |
|  | TAS 38 Intangible Assets (revised 2017) |
|  | TAS 40 Investment Property (revised 2017) |
|  | TAS 41 Agriculture (revised 2017) |
| Financial Reporting Standards | |
|  | TFRS 2 Share - based Payment (revised 2017) |
|  | TFRS 3 Business Combinations (revised 2017) |
|  | TFRS 4 Insurance Contracts (revised 2017) |
|  | TFRS 5 Non - current Assets Held for Sale and Discontinued Operations (revised 2017) |
|  | TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2017) |
|  | TFRS 8 Operating Segments (revised 2017) |
|  | TFRS 10 Consolidated Financial Statements (revised 2017) |
|  | TFRS 11 Joint Arrangements (revised 2017) |
|  | TFRS 12 Disclosure of Interests in Other Entities (revised 2017) |
|  | TFRS 13 Fair Value Measurement (revised 2017) |
| Accounting Standard Interpretations | |
|  | TSIC 10 Government Assistance - No Specific Relation to Operating Activities (revised 2017) |
|  | TSIC 15 Operating Leases - Incentives (revised 2017) |
|  | TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |
|  | (revised 2017) |
|  | TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
|  | (revised 2017) |
|  | TSIC 29 Service Concession Arrangements : Disclosures (revised 2017) |
|  | TSIC 31 Revenue - Barter Transactions Involving Advertising Services (revised 2017) |
|  | TSIC 32 Intangible Assets - Web Site Costs (revised 2017) |
| Financial Reporting Standard Interpretations | |
|  | TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities |
|  | (revised 2017) |
|  | TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2017) |
|  | TFRIC 5 Rights to Interests arising from Decommissioning, Restoration |
|  | and Environmental Rehabilitation Funds (revised 2017) |
|  | TFRIC 7 Applying the Restatement Approach under TAS 29 (revised 2017) |
|  | Financial Reporting in Hyperinflationary Economies (revised 2017) |
|  | TFRIC 10 Interim Financial Reporting and Impairment (revised 2017) |
|  | TFRIC 12 Service Concession Arrangements (revised 2017) |
|  | TFRIC 13 Customer Loyalty Programmes (revised 2017) |
|  | TFRIC 14 TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, |
|  | Minimum Funding Requirements and their Interaction (revised 2017) |
|  | TFRIC 15 Agreements for the Construction of Real Estate (revised 2017) |
|  | TFRIC 17 Distributions of Non - cash Assets to Owners (revised 2017) |
|  | TFRIC 18 Transfers of Assets from Customers (revised 2017) |
|  | TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2017) |
|  | TFRIC 21 Levies (revised 2017) |

The management of the Company has assessed that TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 24, TAS 33, TAS 34, TAS 36, TAS 37 and TFRS 8 and TFRS 13 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Company’s business, therefore they do not have impact on the financial statement when they are applied.

**1.4 Summary of 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 December 31, 2016.

|  |  |  | Country of | Percentage of | |
| --- | --- | --- | --- | --- | --- |
| Company’s name | Nature of business | Relationship | incorporation | shareholding | |
|  |  |  |  | September 30 | December 31 |
|  |  |  |  | 2017 | 2016 |
| SUBSIDIARY COMPANIES |  |  |  |  |  |
| Brooker Capital Company Limited (1) | Investment in other companies | Shareholding and joint directors | Thailand | - | 99.99 |
| Binswanger Brooker (Thailand) Limited | Real estate brokerage and consultancy | Shareholding and joint directors | Thailand | 99.99 | 99.99 |
| Brooker Planner Co., Ltd  *(Shareheld by Brooker Corporate Advisory Co., Ltd.)* | Business consultant | Indirect shareholding and joint directors | Thailand | - | - |
| Brooker Corporate Advisory Co., Ltd. | Business consultant | Shareholding and joint directors | Thailand | 99.99 | 99.99 |
| Brooker Business Development Co.,Ltd. | Business consultant | Share holding and joint directors | Thailand | 99.99 | 99.99 |
| Brooker International Company Limited | Financial consultant for overseas clients | Share holding and joint directors | Hong Kong | 100.00 | 100.00 |
| Brooker Dunn Asset Advisory Limited  (*Shareheld by Brooker International Company Limited*) | Fund Management of foreign investors outside Thailand | Indirect shareholding and joint directors | British Virgin Island | - | - |

1. **RELATED PARTY TRANSACTION**

Enterprises that directly, or indirectly through one or more intermediaries control, or are under common control of the Company’s

which have co-shareholders or co-directors are as follows:

|  |  |  | Country of | Percentage of | |
| --- | --- | --- | --- | --- | --- |
| Company’s name | Nature of business | Relationship | incorporation | shareholding | |
|  |  |  |  | September 30 | December 31 |
|  |  |  |  | 2017 | 2016 |
| RELATED COMPANIES |  |  |  |  |  |
| Jaturus Project Co., Ltd. | Real estate, Consultancy | Joint directors | Thailand | - | - |
| Brooker Sukhothai Fund | Foreign Fund | Joint directors | British Virgin Islands | - | - |
| Civetta Capital Co., Ltd. | Fund Management | Joint directors | Cayman Islands | - | - |
| M.C.L. Company Limited | Real estate, Renting | Joint directors | Thailand | - | - |
| M.C.L. Property Co., Ltd. | Real estate, Consultancy | Joint directors | Thailand | - | - |
| Min Sen Machinery Co., Ltd. | Agricultural Machineries Trader | A director is a spouse of a Company’s director | Thailand | - | - |
| MAC Capital Advisors Limited | Independent global investment banking  and brokerage from  the Middle East | Joint directors | Castries, St. Lucia | - | - |
| Asian Ocean Enterprises Limited | Investment company | A shareholder in subsidiary | British Virgin Islands | - | - |

1. On August 30, 2017, the shareholder of Brooker Capital Co., Ltd has a resolution to dissolve the company, which has been registered to the Ministry of Commerce on September 8, 2017.

**2.1 RELATED PARTY TRANSACTION**

During the periods, the Company had significant business transactions with its subsidiaries (which were eliminated in consolidation) and related companies (related by shareholding and/or common directors). Such transactions are summarized as follows:-

(Unit: Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | For the three-month period ended September 30 | | | For the nine-month period ended September 30 | | | Pricing policy |
|  | 2017 | | 2016 | 2017 | | 2016 |  | | |
| **Consolidated Financial Statement** | | |  |  | |  |  | | |
| **Related companies** |  | |  |  | |  |  | | |
| Service income | 1,193 | | 53 | 4,705 | | 163 | At the rate determined under the contract | | | |
| Rental income | 26 | | 26 | 79 | | 79 | At the rate determined under the contract | | | |
| Management income | (903) | | 14,360 | 55,213 | | 41,322 | At the rate determined under the contract | | | |
| Others expense | 36 | | 34 | 104 | | 131 | At the rate determined under the contract | | | |
| **Separate Financial Statement** | | |  |  | |  |  | | |
| **Subsidiary companies** |  | |  |  | |  |  | | |
| Service income | 1,006 | | 1,008 | 3,018 | | 3,057 | At the rate determined under the contract | | | | |
| Rental income | 112 | | 112 | 337 | | 337 | At the rate determined under the contract | | | | |
| Interest income | 36 | | 48 | 114 | | 198 | At the interest rate 2.85% per annum | | | | |
| Interest expense | 1,264 | | 1,261 | 4,800 | | 3,918 | At the interest rate 2.85% per annum | | | | |
|  |  | |  |  | |  |  | | | | |

2.1.1 Management remuneration comprised of salary, bonus, life insurance premium, board of directors meeting allowance and directors’ compensation etc. for the nine-month periods ended September 30, 2017 and 2016 are as follow;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2017 |  | 2016 |  | 2017 |  | 2016 |
| Benefits – short-term | 37,758,309.40 |  | 43,687,459.79 |  | 37,758,309.40 |  | 43,687,459.79 |
| Benefits – after retirement | 903,511.00 |  | 765,861.00 |  | 903,511.00 |  | 765,861.00 |
| Benefits – long-term | - |  | - |  | - |  | - |
| Total | 38,661,820.40 |  | 44,453,320.79 |  | 38,661,820.40 |  | 44,453,320.79 |

The outstanding balances of assets and liabilities with the subsidiary companies and related companies of the above transactions are separately shown in the statements of financial position as at September 30, 2017 and December 31, 2016 as follows:-

* 1. **TRADE ACCOUNTS RECEIVABLE – RELATED COMPANIES**

|  | BAHT | | | |
| --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31, 2016 |
| **TRADE ACCOUNTS RECEIVABLE – RELATED COMPANIES** | |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker Business Development Co.,Ltd. | - | - | 3,908,510.62 | 4,464,846.28 |
| Brooker Planner Company Limited | - | - | - | 2,871,208.03 |
| Total | - | - | 3,908,510.62 | 7,336,054.31 |
| **Related companies** |  |  |  |  |
| Civetta Capital Co., Ltd. | 214.00 | 4,343.51 | 214.00 | 4,343.51 |
| Brooker Sukhothai Fund Limited. | 13,003,152.86 | 13,220,839.93 | - | - |
| Total amounts due from related companies | 13,003,366.86 | 13,225,183.44 | 3,908,724.62 | 7,340,397.82 |

The outstanding balance of trade accounts receivable – related companies are classified by aging as follows:-

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31, 2016 |
| Current | 13,003,366.86 | 13,220,839.93 | 119,283.09 | 256,889.40 |
| Overdue 30 days | - | 4,343.51 | 118,872.80 | 261,229.21 |
| 31 - 60 days | - | - | 118,919.90 | 256,932.41 |
| 61 - 90 days | - | - | 119,045.60 | 259,343.70 |
| 91 - 180 days | - | - | 476,101.55 | 769,929.06 |
| 181 - 365 days | - | - | 118,803.37 | 1,594,905.35 |
| Over 365 days | - | - | 2,837,698.31 | 3,941,168.69 |
| Trade accounts receivable – related companies - net | 13,003,366.86 | 13,225,183.44 | 3,908,724.62 | 7,340,397.82 |

* 1. **OTHER ACCOUNTS RECEIVABLE- RELATED COMPANIES**

|  |  | BAHT | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | September 30, 2017 |  | December 31, 2016 |  | September 30, 2017 |  | December 31, 2016 |
| **UNBILLED RECEIVABLE – RELATED COMPANIES** | | | | | | | | |
| **Subsidiary companies** | | | | | | | | |
| Brooker Business Development Co., Ltd. |  | - |  | - |  | 71,445.21 |  | 205,487.69 |
| Brooker Sukhothai Fund Limited. |  | 14,254,527.63 |  | - |  | - |  | - |
| Total Unbilled Receivable – Related companies |  | 14,254,527.63 |  | - |  | 71,445.21 |  | 205,487.69 |
| **ADVANCE – RELATED COMPANIES** | | | | | | | | |
| **Subsidiary companies** | | | | | | | | |
| Brooker Business Development Co., Ltd. |  | - |  | - |  | 5,223,549.68 |  | 3,685,195.46 |
| Brooker Capital Company Limited |  | - |  | - |  | - |  | 3,383.00 |
| Brooker Planner Co., Ltd |  | - |  | - |  | - |  | 4,373,166.80 |
| Brooker Corporate Advisory Company Limited |  | - |  | - |  | 350.00 |  | 8,596.50 |
| Asian Ocean Enterprises Limited |  | - |  | 788,059.48 |  | - |  | - |
| Total Advance – related companies |  | - |  | 788,059.48 |  | 5,223,899.68 |  | 8,070,341.76 |
| **Total Other Accounts Receivable – Related companies** |  | 14,254,527.63 |  | 788,059.48 |  | 5,295,344.89 |  | 8,275,829.45 |

### **2.4 LOANS TO RELATED COMPANIES**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |  | POLICY |
|  |  | Separate Financial Statement | | | | | | |  | ON |
|  |  | December 31, 2016 |  | Increase |  | Decrease |  | September 30, 2017 |  | BORROWING COST |
| **Subsidiary companies** |  |  |  |  |  |  |  |  |  |  |
| Brooker Business Development Co., Ltd. |  | 6,000,000.00 |  | - |  | (1,000,000.00) |  | 5,000,000.00 |  | 2.85% p.a.\* |
| **Total loans to subsidiary companies** |  | 6,000,000.00 |  | - |  | (1,000,000.00) |  | 5,000,000.00 |  |  |

\* Due to declining of commercial bank interest rate, the group of companies reduced the interest rate charge on loan to related companies from 5.40% p.a. to 3.80 p.a. as from May 1, 2016. The rate was further reduced to 2.85% p.a. as from August 1, 2016.

* 1. **ACCOUNTS PAYABLE TRADE – RELATED COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31, 2016 |
| Brooker Planner Co., Ltd | - | - | 9,630,000.00 | 23,133,400.00 |
| Brooker International Company Limited | - | - | 83,340,000.00 | 83,340,000.00 |
| Asian Ocean Enterprises Limited | 1,616,221.78 | 1,155,711.21 | - | - |
| Total Accounts Payable Trade - related company | 1,616,221.78 | 1,155,711.21 | 92,970,000.00 | 106,473,400.00 |

**2.6 ACCOUNTS PAYABLE OTHER – RELATED COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31, 2016 |
|  |  |  |  |  |
| **Accrued Interest – Related Companies** |  |  |  |  |
| **Subsidiary companies** |  |  |  |  |
| Brooker International Company Limited | - | - | 4,367,459.49 | 1,403,352.70 |
| Binswanger Brooker (Thailand) Limited | - | - | 1,717.81 | - |
| Brooker Corporate Advisory Co., Ltd. | - | - | - | 20,926.02 |
| Brooker Capital Company Limited | - | - | - | 2,845,476.02 |
| Total Accounts Payable Other - related company | - | - | 4,369,177.30 | 4,269,754.74 |

### **2.7 LOANS FROM RELATED COMPANIES**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |  | POLICY |
|  |  | Separate Financial Statement | | | | | | |  | ON |
|  |  | December 31, 2016 |  | Increase |  | Decrease |  | September 30, 2017 |  | BORROWING COST \* |
| **Subsidiary companies** |  |  |  |  |  |  |  |  |  |  |
| Brooker International Company Limited |  | 144,010,000.00 |  | - |  | (9,880,400.00) |  | 134,129,600.00 |  | 2.85% p.a. |
| Brooker Corporate Advisory Co., Ltd. |  | 4,000,000.00 |  | - |  | (4,000,000.00) |  | - |  | 2.85% p.a. |
| Binswanger Brooker (Thailand) Limited |  | 18,900,000.00 |  | - |  | (7,900,000.00) |  | 11,000,000.00 |  | 2.85% p.a. |
| Brooker Capital Company Limited |  | 101,500,000.00 |  | - |  | (101,500,000.00) |  | - |  | 2.85% p.a. |
| **Total loans from subsidiary companies** |  | 268,410,000.00 |  | - |  | (123,280,000.00) |  | 145,129,600.00 |  |  |

\* Due to declining of commercial bank interest rate, the group of companies reduced the interest rate charge on loan to related companies from 5.40% p.a. to 3.80 p.a. as from May 1, 2016. The rate was further reduced to 2.85% p.a. as from August 1, 2016.

**3. CASH AND CASH EQUIVALENTS**

As at September 30, 2017 and December 31, 2016, cash and cash equivalents are as follow;

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | September 30, 2017 |  | December 31, 2016 |  | September 30, 2017 |  | December 31, 2016 |
| Cash |  | 20,000.00 |  | 20,000.00 |  | 20,000.00 |  | 20,000.00 |
| Current and saving account deposits |  | 189,148,696.14 |  | 324,812,360.36 |  | 58,212,180.18 |  | 165,660,304.39 |
| Fixed deposit with maturity dates  not long than 3 months |  | 1,019,718.30 |  | 692,497,794.20 |  | - |  | 691,484,462.68 |
| Total cash and cash equivalents |  | 190,188,414.44 |  | 1,017,330,154.56 |  | 58,232,180.18 |  | 857,164,767.07 |

**4. SHORT-TERM INVESTMENT**

As at September 30, 2017 and December 31, 2016, the investment in trading securities is as follows:-

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | | | | | | | | | | | | |
|  | September 30, 2017 | | | | |  | | | December 31, 2016 | | | | | | | | | | |
| **4.1 The Company** | Cost |  | Fair Value |  | Unrealized Gain (Loss) | |  | | | Cost | |  | | Fair Value | |  | | Unrealized Gain (Loss) | | |
| Investment in |  |  |  |  |  | |  | | |  | |  | |  | |  | |  | | |
| - Trading Securities | 793,314,210.82 |  | 894,664,262.89 |  | 101,350,052.07 | |  | | | 545,814,367.46 | |  | | 676,074,377.20 | |  | | 130,260,009.74 | | |
| **4.2 Subsidiary Company** |
| Investment in |  |  |  |  |  |  | |  | | |  | |  | |  | |  | |
| - Brooker Sukhothai Fund | 263,463,420.77 |  | 476,408,284.65 |  | 212,944,863.88 | |  | | | 298,070,699.86 | |  | | 496,457,158.65 | |  | | 198,386,458.79 | | |
| - Civetta Fund | 168,774,415.65 |  | 147,373,341.21 |  | (21,401,074.44) | |  | | | 178,755,496.16 | |  | | 135,543,732.30 | |  | | (43,211,763.86) | | |
| Total subsidiary | 432,237,836.42 |  | 623,781,625.86 |  | 191,543,789.44 | |  | | | 476,826,196.02 | |  | | 632,000,890.95 | |  | | 155,174,694.93 | | |
| Total Short - Term |  |  |  |  |  | |  | | |  | |  | |  | |  | |  | | |
| Investments | 1,225,552,047.24 |  | 1,518,445,888.75 |  | 292,893,841.51 | |  | | | 1,022,640,563.48 | |  | | 1,308,075,268.15 | |  | | 285,434,704.67 | | |
|  |  |  |  |  |  |  | |  | | |  | |  | |  | |  | |

**4.3** The acquisitions and disposals of trading securities during the nine-month and three-month period ended September 30, 2017 is as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | For the nine-month period ended September 30, 2017 | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| - Securities acquired |  | 371,401,371.76 |  | 371,401,731.76 |
| - Securities disposed |  | (168,490,248.00) |  | (123,901,888.40) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | For the three-month period ended September 30, 2017 | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| - Securities acquired |  | 206,104,640.00 |  | 206,104,640.00 |
| - Securities disposed |  | (112,362,846.32) |  | (101,434,568.40) |

**4.4** The transactions of unrealized gain (loss) on trading securities during the nine-month period ended September 30, 2017 is as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | For the nine-month period ended September 30, 2017 | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| Beginning balance |  | 285,434,704.67 |  | 130,260,009.74 |
| Transactions during the period |  | 7,459,136.84 |  | (28,909,957.67) |
| Ending balance |  | 292,893,841.51 |  | 101,350,052.07 |

**4.5 INVESTMENT IN “BROOKER SUKHOTHAI FUND”**

An oversea subsidiary had invested in “BROOKER SUKHOTHAI FUND”, which price per share at each moment equal to NAV at the purchase date plus expenses and fees stated. The subsidiary will realize return of the investment on different between the NAV of the Fund at redeem date and purchased date less related expenses. The redemption condition of the Fund is 15 months since investment date. However, the unit holder has the right to sell / transfer such unit to other entity and no redemption fees.

Later on August 1, 2012 the Company had restructured its’ group investment in oversea subsidiaries. Then, “BROOKER SUKHOTHAI FUND” hold by Brooker Advisory Limited had been sold to Brooker International Limited which is oversea parent company of Brooker Advisory Limited, at NAV of the fund as the Fund condition, and realized gain on sale of investment amounting to US$ 784,197.83. Moreover, in quarter 3/2012 Brooker International Limited increased its investment in “BROOKER SUKHOTHAI FUND” as follow;

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | Exchange |  |  |
|  |  | Number of unit |  | Unit Price\* |  | US $ Amount |  | Rate \*\* |  | Cost (Baht) |
| As of July 31,2012 |  | 1,916.192 |  |  |  | 4,002,058.21 |  |  |  |  |
| Unit adjusted |  | 61.919 |  |  |  | - |  |  |  |  |
| As adjusted July 31,2012 |  | 1,978.111 |  | 2,023.17 |  | 4,002,058.21 |  | 35.3881 |  | 141,625,236.14 |
| Un-realize gain |  | - |  |  |  | 784,197.83 |  | 35.3881 |  | 27,751,271.23 |
| Fair Value July 31,2012 |  | 1,978.111 |  |  |  | 4,786,256.04 |  |  |  |  |
| Invested on August 1,2012 |  | 100.628 |  | 2,484.40 |  | 250,000.00 |  | 35.3881 |  | 8,847,025.00 |
| As of December 31,2012 |  | 2,078.739 |  |  |  | 5,036,256.04 |  |  |  |  |
| As adjusted January 1,2013 |  | (6.274) |  |  |  | (18,470.49) |  | 35.3881 |  | (653,635.55) |
| As of January 31,2013 |  | 2,072.465 |  | 2,421.17 |  | 5,017,785.55 |  |  |  |  |
| Invested on November 22, 2013 |  | 545.828 |  | 3,446.40 |  | 1,881,140.00 |  | 35.3881 |  | 66,569,970.43 |
| As of December 31, 2013 |  | 2,618.293 |  | 2,634.89 |  | 6,898,925.55 |  |  |  |  |
| As adjusted January 1,2014 |  | 5.380 |  |  |  | 16,582.99 |  | 35.3881 |  | 586,840.51 |
| As of December 31, 2014 |  | 2,623.673 |  | 2,635.81 |  | 6,915,508.54 |  |  |  |  |
| As adjusted January 1,2015 |  | 7.489 |  |  |  | 32,811.66 |  | 35.3881 |  | 1,161,142.31 |
| As of February 29, 2016 |  | 2,631.162 |  |  |  | 6,948,320.20 |  |  |  |  |
| Invested on March 29,2016 |  | 101.762 |  | 4,913.437 |  | 500,000.00 |  | 35.3881 |  | 17,694,050.00 |
| As of December 31, 2016 |  | 2,732.924 |  |  |  | 7,448,320.20 |  |  |  |  |
| As adjusted January 1,2017 |  | (0.656) |  | 5,095.55 |  | (3,342.68) |  | 35.3881 |  | (118,479.30) |
| As of September 30, 2017 |  | 2,732.268 |  |  |  | 7,444,977.52 |  |  |  | 263,463,420.77 |

**\***  Weighted average price

\*\* Weighted average exchange rate as at September 30, 2017

**4.6 INVESTMENT IN “CIVETTA FUND”**

An oversea subsidiary (Brooker International Co., Ltd) had invested in “CIVETTA FUND”, which price per share at initial investment equal to NAV at US$ 100 per share. The subsidiary will realize return of the investment on different between the NAV of the Fund at redeem date and purchased date less related expenses. The redemption condition of the Fund is 3 years since investment date. However, the unit holder has the right to sell / transfer such unit to other entity and no redemption fees.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | Average |  |  |
|  |  | Number of unit |  | Unit Price |  | US $ Amount |  | Exchange Rate |  | Cost (Baht) |
| As at September 30, 2017 |  | 49,999.500 \* |  | 100.00 |  | 5,000,000.00 |  | 33.7548 |  | 168,774,415.65 |

\* The subsidiary has invested in the fund since March 10, 2014.

**4.7. Investment in right to purchase shares**

During quarter 1/2017, the Company has entered into a right to purchase shares agreement with a non-related person amounting to Baht 350 million in order to have a right to buy a listed stock on SET on June 8, 2017 under the condition that the seller will transfer such shares as agreed to the Company when closing price is in the range of prices as agreed. If closing price is not in the range of prices as agreed, the seller agreed to repay the Company the total amount of Baht 358.75 million. The seller has pledged 2 times of the number of the shares to the Company as collateral. On the maturity date, June 9, 2017, the Company re-entered into a new right to purchase shares agreement to extend the maturity date to October 9, 2017 with the same conditions and the same collaterals.

In quarter 3/2017, the Company and the Seller mutually agreed to terminate the Agreement dated June 9, 2017 as well as the Company got the proceeds follow as agreement on September 27, 2017. Since during the period the market price of such listed company’s shares has not been within the agreed price range as stated on the Right to Purchase Shares Agreement, it is expected that there would be a tendency of an increase in share price. With this situation coupled with an increase in SET index, the Company and the Seller viewed that it would be unlikely that such listed company’s share price would fall into the agreed price range within the remaining term of the Agreement (i.e. October 9, 2017).

**5. TRADE ACCOUNTS RECEIVABLE – OTHER COMPANIES**

As at September 30, 2017 and December 31, 2016, the outstanding balance of trade accounts receivable are classified by aging as follows:-

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31,2016 |
|  | |  |  |  |
|  |  |  |  |  |
| Current | 321,948,892.80 | - | - | - |
| Overdue 30 days | 160,500.00 | 3,370,500.00 | - | 3,210,000.00 |
| 31 - 60 days | - | - | - | - |
| 61 - 90 days | 6,420,000.00 | - | 6,420,000.00 | - |
| 91 - 180 days | 4,922,000.00 | - | 4,922,000.00 | - |
| 181 - 365 days | 3,210,000.00 | - | 3,210,000.00 | - |
| Over 365 days | 2,505,592.25 | 2,505,592.25 | 1,382,092.25 | 1,382,092.25 |
| Total | 339,166,985.05 | 5,876,092.25 | 15,934,092.25 | 4,592,092.25 |
| Less : Allowance for doubtful accounts | (5,715,592.25) | (2,505,592.25) | (4,592,092.25) | (1,382,092.25) |
| Net | 333,451,392.80 | 3,370,500.00 | 11,342,000.00 | 3,210,000.00 |

The transactions of allowance for doubtful accounts – trade receivable – other companies during the nine-month period ended September 30, 2017 are as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| Balance as at January 1, 2017 |  | 2,505,592.25 |  | 1,382,092.25 |
| Provision increase (decrease) during the period |  | 3,210,000.00 |  | 3,210,000.00 |
| Balance as at September 30, 2017 |  | 5,715,592.25 |  | 4,592,092.25 |

**6. OTHER ACCOUNTS RECEIVABLE – OTHER COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31,2016 |
| A/R - Others | 8,021.43 | - | 8,021.43 | - |
| Unbilled Receivable | 39,162.28 | 1,146,550.51 | 37,500.00 | 1,144,903.16 |
| Advance Payment | 4,500.00 | 124,500.00 | 4,500.00 | 124,500.00 |
| Prepaid Expenses | 760,902.31 | 927,905.94 | 729,773.56 | 659,919.28 |
| Total Other Account Receivable - other companies | 812,586.02 | 2,198,956.45 | 779,794.99 | 1,929,322.44 |

### **LOANS TO OTHER PERSON AND COMPANY**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | September 30, 2017 |  | December 31, 2016 |  | September 30, 2017 |  | December 31, 2016 |
| Gunkul Dhumrongpiyawut |  | - |  | 50,000,000.00 |  | - |  | 50,000,000.00 |
| Kingdom Property company limited |  | 4,908,000.00 |  | 4,908,000.00 |  | 4,908,000.00 |  | 4,908,000.00 |
| Total |  | 4,908,000.00 |  | 54,908,000.00 |  | 4,908,000.00 |  | 54,908,000.00 |
| Less : Allowance for doubtful accounts |  | (4,908,000.00) |  | (4,908,000.00) |  | (4,908,000.00) |  | (4,908,000.00) |
| Total loans to others person and company |  | - |  | 50,000,000.00 |  | - |  | 50,000,000.00 |

The transactions of loans to others person and company during the nine-month period ended September 30, 2017, are as follow;

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | | |  | | POLICY | |
|  |  | Consolidated Financial Statement / Separate Financial Statement | | | | | | | |  | | ON | |
|  |  | December 31, 2016 |  | Increase |  | Decrease |  | September 30, 2017 |  | | BORROWING COST | |
| Gunkul Dhumrongpiyawut |  | 50,000,000.00 |  | - |  | (50,000,000.00) |  | - |  | | 8.00% p.a. | |
| Kingdom Property Company Limited |  | 4,908,000.00 |  | - |  | - |  | 4,908,000.00 |  | | 10.00% p.a. | |
| Total |  | 54,908,000.00 |  | - |  | (50,000,000.00) |  | 4,908,000.00 |  | |  | |
| Less : Allowance for doubtful accounts |  | (4,908,000.00) |  | - |  | - |  | (4,908,000.00) |  | |  | |
| Total loans to others person and companies |  | 50,000,000.00 |  | - |  | (50,000,000.00) |  | - |  | |  | |

### **DEPOSIT WITH RESTRICTION**

As at September 30, 2017 and December 31, 2016, the deposit with restriction is as follow;

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | September 30, 2017 |  | December 31, 2016 |  | September 30, 2017 |  | December 31, 2016 |
| Fixed deposit with maturity dates not  longer than 3 months |  | 15,000,000.00 |  | 15,000,000.00 |  | 15,000,000.00 |  | 15,000,000.00 |
| Total deposit with restriction |  | 15,000,000.00 |  | 15,000,000.00 |  | 15,000,000.00 |  | 15,000,000.00 |

The Company has pledged the fixed deposit amounting to Baht 15 million as guarantee for overdraft facilities with LH Bank. The interest rate is as specified on the fixed deposit certificates plus 1.50% per annum.

**9. INVESTMENTS IN SUBSIDIARY COMPANIES**

As at September 30, 2017 and December 31, 2016, the Company's investments in its subsidiary companies are as follows:-

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | | |  | |  | | | | Investments (Unit : Thousand Baht) | | | | | | | | |
|  |  |  |  | | |  | | |  |  | | | |  | | | Allowance for | | | |
|  |  |  |  | | |  | | |  |  | | | |  | | | Impairment of | | | |
|  |  | Paid-up share capital | | | Shareholding | | | | | | Cost Method | | | Net book value | | | Subsidiaries investment | | | |
|  | Type of | September 30 | | December 31 | September 30 | | December 31 | | | September 30 | | | December 31 | September 30 | December 31 | | September 30 | | | December 31 |
| Name of company | business | 2017 | | 2016 | 2017 | | 2016 | | | 2017 | | | 2016 | 2017 | 2016 | | 2017 | | | 2016 |
|  |  | (Baht) | | (Baht) | % | | % | | |  | | |  |  |  | |  | | |  |
| Brooker Capital Co., Ltd. (1) | Specialist investment holding company | - | | 117.94 mil | 99.99 | | 99.99 | | | - | | | 120,753 | - | 104,111 | | - | | | (21,431) |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Binswanger Brooker (Thailand) Limited | Real estate brokerage and consultancy | 22.87 mil | | 22.87 mil | 99.99 | | 99.99 | | | 9,222 | | | 9,222 | 14,861 | 18,631 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Brooker Planner Co., Ltd.. | Business consultant | 43.38 mil | | 43.38 mil | 99.99 | | 99.99 | | | - | | | - | - | - | | - | | | - |
|  |  |  | |  | (Indirect shareholding) | | | | |  | | |  |  |  | |  | | |  |
| Brooker Corporate Advisory Co., Ltd. | Business consultant | 6.02 mil | | 6.02 mil | 99.99 | | 99.99 | | | 6,011 | | | 6,011 | 7,097 | 7,111 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Brooker Business Development Co., Ltd. | Business consultant | 2.00 mil | | 2.00 mil | 99.99 | | 99.99 | | | 2,000 | | | 2,000 | (14,279) | (15,367) | | (2,000) | | | (2,000) |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Brooker International Co., Ltd. | Business consultant for foreign clients | US Dollar 600,000 | | US Dollar 600,000 | 100.00 | | 100.00 | | | 17,844 | | | 17,844 | 1,204,473 | 1,018,471 | | - | | | - |
|  |  |  | |  |  | |  | | |  | | |  |  |  | |  | | |  |
| Investment in subsidiaries | | | |  |  | |  | | | 35,077 | | | 155,830 | 1,212,152 | 1,132,957 | | (2,000) | | | (23,431) |
| Less : Allowance for Impairment | | | |  |  | |  | | | (2,000) | | | (23,431) |  |  | |  | | |  |
| Net Investments in subsidiary companies - The Company Only | | | | |  | |  | | | 33,077 | | | 132,399 |  | |  | |  |

1. On August 30, 2017, the shareholder of Brooker Capital Co., Ltd has a resolution to dissolve the company, which has been registered to the Ministry of Commerce on September 8, 2017. Then Brooker Capital has returned proceeds to shareholders in total Baht 104.65 million which made loss Baht 16.1 million.

**10. OTHER INVESTMENTS**

As at September 30, 2017 and December 31, 2016, the Company has invested in other investments as follows;

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | |  | BAHT | |
|  |  | Consolidated Financial Statement | |  | Separate Financial Statement | |
|  |  | September 30 | December 31 |  | September 30 | December 31 |
| **Other Investment – Other Company** | Type of business | 2017 | 2016 |  | 2017 | 2016 |
| Apex Development | Real estate |  |  |  |  |  |
| Public Company Limited \* | development | - | 37,390,917.45 |  | - | 37,390,917.45 |
| GM Multimedia Plc. | Publishing | 1,000,000.00 | 1,000,000.00 |  | 1,000,000.00 | 1,000,000.00 |
| Advance Finance Plc. | Finance | 160,000,000.00 | 160,000,000.00 |  | 160,000,000.00 | 160,000,000.00 |
| Absolute Clean Energy Co., Ltd. | Energy | 200,000,000.00 | 200,000,000.00 |  | 200,000,000.00 | 200,000,000.00 |
| Less : Allowance for impairment |  | (1,000,000.00) | (26,375,997.46) |  | (1,000,000.00) | (26,375,997.46) |
| Total |  | 360,000,000.00 | 372,014,919.99 |  | 360,000,000.00 | 372,014,919.99 |
| **Other Investment – Related Company** |
| Civetta Capital Co., Ltd. | Fund Management | 565.80 | 607.63 |  | - | - |
| Total other investments-related company |  | 565.80 | 607.63 |  | - | - |
| **Total other investments** |  | 360,000,565.80 | 372,015,527.62 |  | 360,000,000.00 | 372,014,919.99 |

The transactions of allowance for impairment of investment during the nine-month period ended September 30, 2017 is as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| Balance as at January 1, 2017 |  | 26,375,997.46 |  | 26,375,997.46 |
| Provision during the period |  | (25,375,997.46) |  | (25,375,997.46) |
| Balance as at September 30, 2017 |  | 1,000,000.00 |  | 1,000,000.00 |

\* On March 27, 2107, The Stock Exchange of Thailand approved the resume of trade for the ordinary shares of Apex Development Public Company Limited. The Company transferred the investment in the ordinary shares of Apex Development Public Company Limited previously classified as “Other Investment” to “Investment in Trading Securities” resulted in the gain form change of investment amounting to approximately Baht 23.64 million and the reversal of the impairment allowance of the investment approximately Baht 25.38 million.

### **LOAN TO OTHERS – LONG TERM**

On August 18, 2017 the Company, by the resolution of the Board of Directors, entered into a loan agreement with a non-related limited company to lend an amount of Baht 300 million for a 2- year period with lending fee and interest rate at 3% p.a. and 12% p.a. respectively. The parent company of the borrowing company provided a Corporate Guarantee as the collateral throughout the lending period.

**12. PROPERTY AND EQUIPMENT, NET**

The movement of property, plant and equipment for the nine-month period ended September 30, 2017 was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| **Cost** |  |  |  |  |
| At January 1, 2017 |  | 82,434,829.73 |  | 82,031,500.93 |
| Additions |  | 19,320.56 |  | 19,320.56 |
| Disposals/written-off |  | (360,628.30) |  | - |
| At September 30, 2017 |  | 82,093,521.99 |  | 82,050,821.49 |
| **Accumulated depreciation** |  |  |  |  |
| At January 1, 2017 |  | 41,892,490.72 |  | 41,492,434.11 |
| Additions |  | 2,686,433.41 |  | 2,685,119.01 |
| Disposals/written-off |  | (360,619.30) |  | - |
| At September 30, 2017 |  | 44,218,304.83 |  | 44,177,553.12 |
| **Net book value** |  |  |  |  |
| Balance as of January 31, 2017 |  | 40,542,339.01 |  | 40,539,066.82 |
| Balance as of September 30, 2017 |  | 37,875,217.16 |  | 37,873,268.37 |

1. **INVESTMENT PROPERTY, NET**

The movement of investment property for the nine-month period ended September 30, 2017 was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated Financial Statement |  | Separate Financial Statement |
| **Cost** |  |  |  |  |
| At January 1, 2017 |  | 8,803,554.00 |  | 8,803,554.00 |
| Property , increase (decrease) |  | - |  | - |
| At September 30, 2017 |  | 8,803,554.00 |  | 8,803,554.00 |
| **Accumulated Depreciation** |  |  |  |  |
| At January 1, 2017 |  | 552,332.52 |  | 552,332.52 |
| Increase (decrease) |  | 329,228.77 |  | 329,228.77 |
| At September 30, 2017 |  | 881,561.29 |  | 881,561.29 |
| Balance as of January 31, 2017 |  | 8,251,221.48 |  | 8,251,221.48 |
| **Balance as of September 30, 2017** |  | 7,921,992.71 |  | 7,921,992.71 |

On September 30, 2015, The Company received a transfer of 2 condominium units valued at approximately Baht 8.8 million. The assets were recorded as “Investment Property.” The fair value of the condominium units is the market price that the Company paid for them.

**14 ACCOUNTS PAYABLE TRADE – OTHER COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
|  | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31, 2016 |
| Melrose Capital Co., Ltd. | 107,000.00 | - | 107,000.00 | - |
| World Access International Holdings Limited | 100,597,200.00 | - | - | - |
| Simpson Financial Limited | 266,163.43 | 1,275,827.43 | - | - |
| Total Accounts Payable Trade - other company | 100,970,363.43 | 1,275,827.43 | 107,000.00 | - |

**15. OTHER ACCOUNTS PAYABLE – OTHER COMPANIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
| **OTHER COMPANIES** | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31, 2016 |
|  |  |  |  |  |
| Accounts payable other | 350,620.45 | 93,784.55 | 350,620.45 | 93,078.35 |
| Unearned income | 8,140,767.15 | 58,128.85 | 8,140,767.15 | 58,128.85 |
| Accrued Expenses | 20,181,845.23 | 50,274,735.68 | 20,005,095.21 | 37,307,564.01 |
| Total Other Account Payable - other company | 28,673,232.83 | 50,426,649.08 | 28,496,482.81 | 37,458,771.21 |

### **SHORT TERM LOAN FROM FINANCIAL INSTITUTE**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | September 30, 2017 |  | December 31, 2016 |  | September 30, 2017 |  | December 31, 2016 |
| A Financial Institute |  | 100,000,000.00 |  | - |  | 100,000,000.00 |  | - |
| Total Short-term loan from Financial Institute |  | 100,000,000.00 |  | - |  | 100,000,000.00 |  | - |

In quarter 3/2017, the Company received credit facilities from a financial institute amounting totally Baht 500 million with no collateral for a period of one year. Interest rate is based on the local Money Market Rate

**17. FINANCIAL LEASE OBLIGATIONS**

Financial Lease Obligations as at September 30, 2017 and December 31, 2016 was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | BAHT | | | |
|  | Consolidated Financial Statement | | Separate Financial Statement | |
| **OTHER COMPANIES** | September 30, 2017 | December 31, 2016 | September 30, 2017 | December 31, 2016 |
|  |  |  |  |  |
| Financial lease obligations | 10,047,159.71 | 12,782,501.80 | 10,047,159.71 | 12,782,501.80 |
| Less : Amount due within 1 year | (10,047,159.71) | (3,634,084.86) | (10,047,159.71) | (3,634,084.86) |
| Financial Lease Obligations - Net | - | 9,148,416.94 | - | 9,148,416.94 |

Changed of Financial Lease Obligations for the nine-month period ended September 30, 2017 was as follow;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | BAHT | | |
|  |  | Consolidated |  | Separate |
|  |  | Financial Statement |  | Financial Statement |
| Balance as of January 1, 2017 |  | 12,782,501.80 |  | 12,782,501.80 |
| Add : Increase during the period |  | - |  | - |
| Less : Payment during the period |  | (2,735,342.09) |  | (2,735,342.09) |
| Balance as of September 30, 2017 |  | 10,047,159.71 |  | 10,047,159.71 |

As at September 30, 2017 the Company has financial lease obligation which minimum payment as follow;

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
|  |  |  |  | BAHT |  |  |
|  |  | Due within 1 year |  | Due over 1 year |  | Total |
| Sum of minimum amount to be paid as Financial lease |  | 10,594,753.00 |  | - |  | 10,594,753.00 |
| Deferred leasing interest |  | (547,593.29) |  | - |  | (547,593.29) |
| Present value of minimum amount to be paid as Financial lease |  | 10,047,159.71 |  | - |  | 10,047,159.71 |

**18. EMPLOYEE BENEFITS OBLIGATION**

Movements in the present value of the provision under defined benefit obligation for the nine-month period ended September 30, 2017 and for the year ended December 31, 2016 were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | For the  nine-month period Ended |  | For the year ended |  | For the  nine-month period ended |  | For the year ended |
|  | September 30,2017 |  | December 31,2016 |  | September 30,2017 |  | December 31,2016 |
| Employee benefits obligation as of |  |  |  |  |  |  |  |
| beginning of periods | 21,667,371.00 |  | 19,725,917.00 |  | 19,364,405.00 |  | 17,756,433.00 |
| Current service cost and interest cost | 1,749,672.00 |  | 1,941,454.00 |  | 1,551,865.00 |  | 1,607,972.00 |
| Gain (loss) from estimate of actuarial assumptions | 1,844,127.00 |  | - |  | 2,421,974.00 |  | - |
| Employee benefits obligation as of |  |  |  |  |  |  |  |
| ending of periods | 25,261,170.00 |  | 21,667,371.00 |  | 23,338,244.00 |  | 19,364,405.00 |

Expenses recognized in gain or loss for the nine-month periods ended September 30, 2017 and 2016 are as follow;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | For the nine-month period ended September 30 | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2017 |  | 2016 |  | 2017 |  | 2016 |
| Current service cost | 1,333,304.00 |  | 899,811.00 |  | 1,174,411.00 |  | 702,431.00 |
| Interest cost | 416,368.00 |  | 524,784.00 |  | 377,454.00 |  | 472,050.00 |
| Total | 1,749,672.00 |  | 1,424,595.00 |  | 1,551,865.00 |  | 1,174,481.00 |

The Company hires an actuary to compute this provision according to the accounting standard. The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as at September 30, 2017 and December 31, 2016 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated Financial Statementand  Separate Financial Statement | | |
|  | 2017 |  | 2016 |
| Discount rate | 3.16 % |  | 3.57 % |
| Expected rate of salary increase | 0-8.00 % |  | 0-5.00 % |
| Voluntary resignation rate | 0-6.00 % |  | 0-35.00 % |
| Mortality rate | TMO 2008 |  | TMO 2008 |

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that was reasonably possible as of September 30, 2017 as follows:

- If the discount rate increases (decreases) by 1.0%, the employee benefit obligation would decrease Baht 0.16 million (increase Baht 0.19 million).

- If the salary increase rate increases (decreases) by 1.0%, the employee benefit obligation would increase Baht 0.18 million (decrease Baht 0.16 million).

- If the life expectancy increases (decreases) by one year for all employees, the employee benefit obligation would increase Baht 0.01 million (decrease Baht 0.01 million).

In presenting the above sensitivity analysis, the present value of the employee benefit obligation has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statement of financial position.

**19. RECONCILIATION OF DILUTED EARNINGS (LOSS) PER SHARE**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | |
|  | For the three-month periods ended September 30 | | | | | |
|  |  | | Weighted average number | |  | |
|  | Net earnings (loss) | | of ordinary shares | | Earnings (loss) per share | |
|  | (Thousand Baht) | | (Thousand shares) | | (Baht) | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| **Basic earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) | 232,579 | 280,533 | 5,637,605 | 5,585,207 | 0.041 | 0.050 |
| **Effect of dilutive potential ordinary shares** |  |  |  |  |  |  |
| Warrants |  |  |  |  |  |  |
| 2017 : 0 units |  |  |  |  |  |  |
| (2016 : 1,150,393 units) |  |  | - | 12,517 |  |  |
| **Diluted earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) of ordinary shareholders |  |  |  |  |  |  |
| (assuming conversion of potential ordinary |  |  |  |  |  |  |
| shares to ordinary shares) | 232,579 | 280,533 | 5,637,605 | 5,597,724 | 0.041 | 0.050 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | |
|  | For the nine-month periods ended September 30 | | | | | |
|  |  | | Weighted average number | |  | |
|  | Net earnings (loss) | | of ordinary shares | | Earnings (loss) per share | |
|  | (Thousand Baht) | | (Thousand shares) | | (Baht) | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| **Basic earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) | 328,578 | 408,251 | 5,637,605 | 5,261,881 | 0.058 | 0.078 |
| **Effect of dilutive potential ordinary shares** |  |  |  |  |  |  |
| Warrants |  |  |  |  |  |  |
| 2017 : 0 units |  |  |  |  |  |  |
| (2016 : 1,150,393 units) |  |  | - | 268,470 |  |  |
| **Diluted earnings (loss) per share** |  |  |  |  |  |  |
| Net earnings (loss) of ordinary shareholders |  |  |  |  |  |  |
| (assuming conversion of potential ordinary |  |  |  |  |  |  |
| shares to ordinary shares) | 328,578 | 408,251 | 5,637,605 | 5,530,351 | 0.058 | 0.074 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Separate Financial Statement | | | | | | | | | | | |
|  | | For the three-month periods ended September 30 | | | | | | | | | | | |
|  | |  | | | | Weighted average number | | | |  | | | |
|  | | Net earnings (loss) | | | | of ordinary shares | | | | Earnings (loss) per share | | | |
|  | | (Thousand Baht) | | | | (Thousand shares) | | | | (Baht) | | | |
|  | | 2017 | | 2016 | | 2017 | | 2016 | | 2017 | | 2016 | |
| **Basic earnings (loss) per share** | |  | |  | |  | |  | |  | |  | |
| Net earnings (loss) | | 14,046 | | 311,164 | | 5,637,605 | | 5,585,207 | | 0.002 | | 0.056 | |
| **Effect of dilutive potential ordinary shares** | |  | |  | |  | |  | |  | |  | |
| Warrants | |  | |  | |  | |  | |  | |  | |
| 2017 : 0 units | |  | |  | |  | |  | |  | |  | |
| (2016 : 1,150,393 units) | |  | |  | | - | | 12,517 | |  | |  | |
| **Diluted earnings (loss) per share** | |  | |  | |  | |  | |  | |  | |
| Net earnings (loss) of ordinary shareholders | |  | |  | |  | |  | |  | |  | |
| (assuming conversion of potential ordinary | |  | |  | |  | |  | |  | |  | |
| shares to ordinary shares) | | 14,046 | | 311,164 | | 5,637,605 | | 5,597,724 | | 0.002 | | 0.056 | |
|  |  | | | | | | | | | | | |
|  | Separate Financial Statement | | | | | | | | | | | |
|  | For the six-month periods ended September 30 | | | | | | | | | | | |
|  |  | | | | Weighted average number | | | |  | | | |
|  | Net earnings (loss) | | | | of ordinary shares | | | | Earnings (loss) per share | | | |
|  | (Thousand Baht) | | | | (Thousand shares) | | | | (Baht) | | | |
|  | 2017 | | 2016 | | 2017 | | 2016 | | 2017 | | 2016 | |
| **Basic earnings (loss) per share** |  | |  | |  | |  | |  | |  | |
| Net earnings (loss) | 41,326 | | 413,259 | | 5,637,605 | | 5,261,881 | | 0.007 | | 0.079 | |
| **Effect of dilutive potential ordinary shares** |  | |  | |  | |  | |  | |  | |
| Warrants |  | |  | |  | |  | |  | |  | |
| 2017 : 0 units |  | |  | |  | |  | |  | |  | |
| (2016 : 1,150,393 units) |  | |  | | - | | 268,470 | |  | |  | |
| **Diluted earnings (loss) per share** |  | |  | |  | |  | |  | |  | |
| Net earnings (loss) of ordinary shareholders |  | |  | |  | |  | |  | |  | |
| (assuming conversion of potential ordinary |  | |  | |  | |  | |  | |  | |
| shares to ordinary shares) | 41,326 | | 413,259 | | 5,637,605 | | 5,530,351 | | 0.007 | | 0.075 | |

**20. CORPORATE INCOME TAX**

In accordance with taxable conditions on Thailand’s revenue code, the Company and its subsidiaries has calculated its net taxable profit (loss) by taking both any forbidding expenditures and any reduced or exceptionable accounting transactions to adding - up or deducting from net profit (loss) under accounting base.

The corporate income tax rate being used in the period 2016 and 2017 are 20%. Interim corporate income tax was calculated on profit before income tax for the period, using the tax rate 20 percent for the year.

20.1 Income tax expenses for the nine-month periods ended September 30, 2017 and 2016 are made up as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAHT | | | | | | |
|  |  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  |  | 2017 |  | 2016 |  | 2017 |  | 2016 |
| **Current income tax :** |  |  |  |  |  |  |  |  |
| Interim corporate income tax charge |  | 2,764,471.34 |  | 59,438,300.13 |  | 2,478,932.23 |  | 58,793,864.72 |
| Deferred tax : |  |  |  |  |  |  |  |  |
| Relating to origination and reversal |  |  |  |  |  |  |  |  |
| of temporary differences |  | 18,029,266.84 |  | 37,939,130.40 |  | 18,068,828.24 |  | 36,349,603.88 |
| Effects to deferred tax from change |  |  |  |  |  |  |  |  |
| of income tax rates |  | - |  | - |  | - |  | - |
| Income tax expense reported in  the statements of  comprehensive income |  | 20,793,738.18 |  | 97,377,430.53 |  | 20,547,760.47 |  | 95,143,468.60 |

20.2 The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the nine-month period ended September 30, 2017 and 2016 are presented as the following:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | 2017 |  | 2016 |  | 2017 |  | 2016 |
| Accounting profit before corporate income tax | 371,384,104.22 |  | 452,497,168.77 |  | 61,873,550.31 |  | 508,402,129.90 |
| Corporate income tax rates | 20% |  | 20% |  | 20% |  | 20% |
| Accounting profit before corporate income tax |  |  |  |  |  |  |  |
| Multiply by tax rates | 74,276,820.85 |  | 90,499,433.75 |  | 12,374,710.06 |  | 101,680,425.98 |
| Effects to deferred tax from change of income tax rates | 18,029,266.84 |  | 37,939,130.40 |  | 18,068,828.24 |  | 36,349,603.88 |
| Income tax effects that is nondeductible in |  |  |  |  |  |  |  |
| calculation of profit:: |  |  |  |  |  |  |  |
| - Revenue exempted in tax calculation | (73,861,088.33) |  | (43,989,156.76) |  | (11,266,177.49) |  | (43,989,044.61) |
| - Nondeductible expenses | 1,430,373.13 |  | 1,156,134.81 |  | 1,370,399.66 |  | 1,102,483.35 |
| - Tax loss | 918,365.69 |  | 11,771,888.33 |  | - |  | - |
| Income tax expense presented in the Statement |  |  |  |  |  |  |  |
| of Income | 20,793,738.18 |  | 97,377,430.53 |  | 20,547,760.47 |  | 95,143,468.60 |

20.3 Components of deferred tax assets and deferred tax liabilities comprised of the following items;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | September 30, 2017 |  | December 31,2016 |  | September 30, 2017 |  | December 31,2016 |
| Deferred tax assets |  |  |  |  |  |  |  |
| Allowance for doubtful accounts receivable trade | 918,418.45 |  | - |  | 918,418.45 |  | - |
| Allowance for impairment of investments | 887,114.72 |  | 10,248,519.08 |  | 599,994.00 |  | 9,961,398.36 |
| Allowance for doubtful accounts – Loans to others | 981,600.00 |  | 981,600.00 |  | 981,600.00 |  | 981,600.00 |
| Employee benefit obligations | 5,052,234.00 |  | 4,333,474.20 |  | 4,667,648.80 |  | 3,872,881.00 |
| Benefits from accumulated tax loss | - |  | - |  | - |  | - |
| Total | 7,839,367.17 |  | 15,563,593.28 |  | 7,167,661.25 |  | 14,815,879.36 |
| Deferred tax liabilities |  |  |  |  |  |  |  |
| Investment in marketable securities | 26,862,813.80 |  | 16,926,598.47 |  | 26,862,813.80 |  | 16,926,598.47 |
| Total | 26,862,813.80 |  | 16,926,598.47 |  | 26,862,813.80 |  | 16,926,598.47 |

20.4 Components of income tax in other comprehensive income (loss) for the nine-month period ended September 30, 2017 and 2016 are presented as the following:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | |
|  | Consolidated Financial Statement | | |  | Separate Financial Statement | | |
|  | For the nine-month period ended September 30 | | | | | | |
|  | 2017 |  | 2016 |  | 2017 |  | 2016 |
| Deferred tax show in |  |  |  |  |  |  |  |
| other comprehensive income(loss) : |  |  |  |  |  |  |  |
| * Gain(loss) from estimate of |  |  |  |  |  |  |  |
| Actuarial assumption | 368,825.40 |  | - |  | 484,394.80 |  | - |
| Total | 368,825.40 |  | - |  | 484,394.80 |  | - |

**21. DIVIDEND PAYMENT**

On August 8, 2017, the board of directors meeting approves the resolutions to pay interim dividend to the shareholders from the Company’s earnings during the period of January 1, 2017 to June 30, 2017 at Baht 0.01 per share or not exceeding of Baht 56.38 million. The interim dividend was paid on September 7, 2017.

**22. SHARE CAPITAL**

Movement of the numberof ordinary shares, paid-up capital and premium (discount) of the ordinary share value of the Company are as the following;

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particular | No of shares |  | Amount |  | Premium (discount) of share value |
|  | (Thousand shares) |  | (Thousand Baht) |  | (Thousand Baht) |
| Registered ordinary share |  |  |  |  |  |
| December 31, 2014 | 1,405,847 |  | 702,924 |  |  |
| May 6, 2015 decrease capital | (10) |  | (5) |  |  |
| Share before change par value | 1,405,837 |  | 702,919 |  |  |
| May 7, 2015 change par value (1:4) | 5,623,349 |  | 702,919 |  |  |
| May 8, 2015 increase during the year to accommodate exercise of warrant right | 24,000 |  | 3,000 |  |  |
| September 30, 2017 | 5,647,349 |  | 705,919 |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| January 1, 2014 | 941,337 |  | 470,668 |  | (29,382) |
| Increase - according to exercise of warrant right to buy ordinary shares | 49,609 |  | 24,805 |  | 18,745 |
| December 31, 2014 | 990,946 |  | 495,473 |  | (10,637) |
| January 6, 2015 shareholder exercise of warrant right | 188 |  | 94 |  | 71 |
| Apr 2, 2015 shareholder exercise of warrant right | 11,624 |  | 5,812 |  | 4,392 |
| Share before change par value | 1,002,758 |  | 501,379 |  | (6,174) |
| May 7, 2015 change par value (1:4) | 4,011,032 |  | 501,379 |  | (6,174) |
| July 7, 2015 shareholder exercise of warrant right | 742,108 |  | 92,764 |  | 68,916 |
| October 6, 2015 shareholder exercise of warrant right | 1,724 |  | 216 |  | 160 |
| January 7, 2016 shareholder exercise of warrant right | 355 |  | 44 |  | 33 |
| April 7, 2016 shareholder exercise of warrant right | 734,924 |  | 91,865 |  | 68,249 |
| July 5, 2016 shareholder exercise of warrant right | 29,941 |  | 3,743 |  | 2,780 |
| August 10, 2016 shareholder exercise of warrant right | 117,521 |  | 14,690 |  | 10,926 |
| September 30, 2017 | 5,637,605 |  | 704,701 |  | 144,890 |

On April 27, 2015, the resolution of the annual general shareholders meeting no. 1/2015 resolved to,

1. Change of par value of shares of the Company from Baht 0.50 per share to Baht 0.125 per share.

2. Amendment of the change of registered share capital of Baht 702,918,641 of 1,405,837,282 ordinary shares to Baht 705,918,641 of 5,647,349,128 ordinary shares.

**23. EXPENSES BY NATURE**

The material expenses for the nine-month periods ended September 30, 2017 and 2016 are categorized by their natures as follows;

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | BAHT | | | | | | | | | | |
|  | Consolidated Financial Statement | | |  | | Separate Financial Statement | | | | | |
|  | 2017 |  | 2016 |  | | 2017 | |  | | 2016 | |
| Personnel expenses  (Excluded Management benefit expenses) | 15,900,605.45 |  | 16,560,814.94 | |  | | 10,971,148.86 | |  | | 11,428,450.56 | |
| Management remunerations  (Included in Cost of service and administrative expenses) | 37,758,309.40 |  | 43,687,459.79 | |  | | 37,758,309.40 | |  | | 43,687,459.79 | |
| Depreciation and amortization | 3,015,662.18 |  | 2,313,127.54 | |  | | 3,014,347.78 | |  | | 2,297,199.17 | |
| Consulting fee | 2,191,500.00 |  | 1,799,600.00 | |  | | 271,300.00 | |  | | 88,600.00 | |
| Advertising expenses | 63,703.03 |  | 60,560.38 | |  | | 59,333.91 | |  | | 59,392.18 | |
| Foreign Business Information fees | 1,228,327.71 |  | 1,274,318.90 | |  | | 1,175,861.78 | |  | | 1,220,794.17 | |
|  |  |  |  | |  | |  | |  | |  | |

**24. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS**

The major operation of the Company is in Thailand and in a foreign country. The Company had classified its segment operation as follow;

**24.1 The results of operations by segment**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | | | |
|  | For three-month periods ended September 30, 2017 and 2016 | | | | | | | |
|  | Business Consulting | | Investments | | Eliminated | | Consolidated | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Sales and services income | 341,300 | 276,985 | 23,576 | 119,535 | (1,118) | (1,119) | 363,758 | 395,401 |
| Cost of sales and services | (112,885) | (10,872) | (1,424) | (18,252) | 194 | 194 | (114,115) | (28,930) |
| Gross earnings (loss) | 228,415 | 266,113 | 22,152 | 101,283 | (924) | (925) | 244,643 | 366,471 |
| Other income |  |  |  |  |  |  | 15,782 | 2,627 |
| Administrative expenses |  |  |  |  |  |  | (19,671) | (24,677) |
| Impairment on investment |  |  |  |  |  |  | - | (1,000) |
| Financial costs |  |  |  |  |  |  | (1,085) | - |
| Income tax |  |  |  |  |  |  | (13,250) | (73,172) |
| Loss(Gain) of non-controlling interest |  |  |  |  |  |  | 1,160 | 10,284 |
| Net profit (loss) |  |  |  |  |  |  | 232,579 | 280,533 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | | | |
|  | For nine-month periods ended September 30, 2017 and 2016 | | | | | | | |
|  | Business Consulting | | Investments | | Eliminated | | Consolidated | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Sales and services income | 429,670 | 322,608 | 45,273 | 247,993 | (3,354) | (3,393) | 471,589 | 567,208 |
| Cost of sales and services | (133,898) | (31,959) | (5,289) | (74,371) | 583 | 583 | (138,604) | (105,747) |
| Gross earnings (loss) | 295,772 | 290,649 | 39,984 | 173,622 | (2,771) | (2,810) | 332,985 | 461,461 |
| Other income |  |  |  |  |  |  | 84,628 | 39,847 |
| Administrative expenses |  |  |  |  |  |  | (44,681) | (47,811) |
| Impairment on investment |  |  |  |  |  |  | - | (1,000) |
| Financial costs |  |  |  |  |  |  | (1,548) | - |
| Income tax |  |  |  |  |  |  | (20,794) | (97,377) |
| Loss(Gain) of non-controlling interest |  |  |  |  |  |  | (22,012) | 53,131 |
| Net profit (loss) |  |  |  |  |  |  | 328,578 | 408,251 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate Financial Statement | | | | | |
|  | For three-month periods ended September 30, 2017 and 2016 | | | | | |
|  | Business Consulting | | Investments | | Separate | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Sales and services income | 8,756 | 262,174 | 26,787 | 152,919 | 35,543 | 415,093 |
| Cost of sales and services | (7,818) | (8,743) | - | - | (7,818) | (8,743) |
| Gross earnings (loss) | 938 | 253,431 | 26,787 | 152,919 | 27,725 | 406,350 |
| Other income |  |  |  |  | 37,198 | 4,367 |
| Administrative expenses |  |  |  |  | (19,200) | (24,261) |
| Loss on investment in subsidiaries |  |  |  |  | (16,096) | - |
| Impairment on investment |  |  |  |  | - | (1,000) |
| Financial costs |  |  |  |  | (2,348) | (1,262) |
| Income tax |  |  |  |  | (13,233) | (73,030) |
| Net profit (loss) |  |  |  |  | 14,046 | 311,164 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate Financial Statement | | | | | |
|  | For nine-month periods ended September 30, 2017 and 2016 | | | | | |
|  | Business Consulting | | Investments | | Separate | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Sales and services income | 36,711 | 279,936 | 37,814 | 265,107 | 74,525 | 545,043 |
| Cost of sales and services | (24,195) | (24,940) | - | - | (24,195) | (24,940) |
| Gross earnings (loss) | 12,516 | 254,996 | 37,814 | 265,107 | 50,330 | 520,103 |
| Other income |  |  |  |  | 106,107 | 41,582 |
| Administrative expenses |  |  |  |  | (43,208) | (46,365) |
| Unrealized loss in trading securities |  |  |  |  | (28,910) | - |
| Loss on investment in subsidiaries |  |  |  |  | (16,096) | - |
| Impairment on investment |  |  |  |  | - | (3,000) |
| Financial costs |  |  |  |  | (6,349) | (3,918) |
| Income tax |  |  |  |  | (20,548) | (95,143) |
| Net profit (loss) |  |  |  |  | 41,326 | 413,259 |

The above results of operations by segment are presented in detail format by net profit as follow;

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | |
|  | For three-month periods ended September 30, 2017 and 2016 | | | | | |
|  | Business Consulting | | Investments | | Consolidated | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Sales and services income | 340,182 | 275,865 | 23,576 | 119,536 | 363,758 | 395,401 |
| Cost of sales and services | (110,735) | (8,252) | (3,380) | (20,678) | (114,115) | (28,930) |
| Gross earnings (loss) | 229,447 | 267,613 | 20,196 | 98,858 | 249,643 | 366,471 |
| Other income | 15,782 | 2,627 | - | - | 15,782 | 2,627 |
| Administrative expenses | (16,237) | (20,299) | (3,434) | (4,378) | (19,671) | (24,677) |
| Impairment on investment | - | - | - | (1,000) | - | (1,000) |
| Financial costs | (1,085) | - | - | - | (1,085) | - |
| Income tax | (13,250) | (73,172) | - | - | (13,250) | (73,172) |
| Loss(Gain) of non-controlling interest | 1,160 | 10,284 | - | - | 1,160 | 10,284 |
| Net profit (loss) | 215,817 | 187,053 | 16,762 | 93,480 | 232,579 | 280,533 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | |
|  | For nine-month periods ended September 30, 2017 and 2016 | | | | | |
|  | Business Consulting | | Investments | | Consolidated | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Sales and services income | 426,316 | 319,214 | 45,273 | 247,994 | 471,589 | 567,208 |
| Cost of sales and services | (128,769) | (22,379) | (9,835) | (83,368) | (138,604) | (105,747) |
| Gross earnings (loss) | 297,547 | 296,835 | 35,438 | 164,626 | 332,985 | 461,461 |
| Other income | 35,613 | 39,847 | 49,015 | - | 84,628 | 39,847 |
| Administrative expenses | (33,618) | (35,487) | (11,063) | (12,324) | (44,681) | (47,811) |
| Impairment on investment | - | - | - | (1,000) | - | (1,000) |
| Financial costs | (1,548) | - | - | - | (1,548) | - |
| Income tax | (20,794) | (97,377) | - | - | (20,794) | (97,377) |
| Loss(Gain) of non-controlling interest | (22,012) | 53,131 | - | - | (22,012) | 53,131 |
| Net profit (loss) | 255,188 | 256,949 | 73,390 | 151,302 | 328,578 | 408,251 |

The results of operations by segment by geography are presented in detail format by net profit as follow;

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | |
|  | For three-month periods ended September 30, 2017 and 2016 | | | | | |
|  | Assets | | Service Income | | Net Profit (1) | |
|  | September 30 | December 31 | September 30 | September 30 | September 30 | September 30 |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Foreign country | 1,092,739 | 803,575 | 330,954 | (18,656) | 224,801 | (26,994) |
| Domestic | 1,720,842 | 2,056,644 | (16,744) | 414,057 | 7,778 | 307,527 |
| Total | 2,813,581 | 2,860,219 | 314,210 | 395,401 | 232,579 | 280,533 |

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated Financial Statement | | | | | |
|  | For nine-month periods ended September 30, 2017 and 2016 | | | | | |
|  | Assets | | Service Income | | Net Profit (1) | |
|  | September 30 | December 31 | September 30 | September 30 | September 30 | September 30 |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Foreign country | 1,092,739 | 803,575 | 387,070 | 24,576 | 293,333 | 2,844 |
| Domestic | 1,720,842 | 2,056,644 | 39,246 | 542,632 | 35,245 | 405,407 |
| Total | 2,813,581 | 2,860,219 | 426,316 | 567,208 | 328,578 | 408,251 |

(1) Net income attributable to equity holders of parents of the period

**24.2 Assets by segment**

(Unit : Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | As at September 30, 2017 and December 31, 2016 | | | | | | | |
|  | Business Consulting | | Investments | | Eliminated | | Consolidated | |
|  | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Assets |  |  |  |  |  |  |  |  |
| Equipment | 16,266 | 17,208 | 2 | 3 | - | - | 16,268 | 17,211 |
| Unallocated equipment |  |  |  |  |  |  | 21,605 | 23,331 |
| Unallocated assets |  |  |  |  |  |  | 2,775,708 | 2,819,677 |
| Total assets |  |  |  |  |  |  | 2,813,581 | 2,860,219 |

**25. COMMITMENTS**

**25.1** As of September 30, 2017 the Company has commitment service which should be paid in the future as follow;

|  |  |  |
| --- | --- | --- |
| **The Brooker Group Public Company Limited** |  |  |
| **Total minimum payments** |  | **Amount**  **(Million Baht)** |
| Not over 1 year |  | 0.11 |
| Over 1 year but not over 5 years |  | - |
| Over 5 years |  | - |
| Total |  | 0.11 |

**25.2** Binswanger Brooker (Thailand) Limited, a Company's subsidiary, has entered into an agreement with a foreign company to establish an alliance to serve with real estate business in Thailand. The subsidiary company is obliged to comply with certain conditions as stated in the agreement and has to pay a USD 8,000 Global Marketing fee and a USD 2,250 applicable support fee per year. In addition, the subsidiary is committed to contribute its revenue with the contractual party at 5% of its gross revenue and additional 1% of the gross revenue for transactions involved with multi-national company. The agreement has expired in 2015 and has been extended for a period expired August 31, 2018.

**25.3** A subsidiary in foreign countries has entered into a fund management agreement which the Fund was registered in foreign countries. The Fee will be calculated and accrued on monthly basis as the amount stated in the agreement. The agreement has no duration period. Therefore, the agreement is being effective until the liquidation date of the Fund or both parties agree to terminate the agreement.

**26. FINANCIAL INSTRUMENTS**

**26.1**  **Financial risk management policies**

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not issue derivative financial instruments for speculative or trading purposes.

**26.2 Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company’s operations and its cash flows. Management believes that the interest rate risk is minimal. Hence, the Company and its subsidiary have no hedging agreement to protect against such risk.

**26.3 Foreign currency risk**

In Quarter 2/2017, the Company had entered into forward hedging contracts with a local Bank amounting to USD Dollars 4 million, equivalent to Baht 137.91 million, to hedge the risk of foreign exchange. These contracts will be gradually due within November 2017.

**26.4 Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers. At the statement of financial position date there were no significant concentrations of credit risk. The credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, management does not anticipate material losses from its debt collection.

**26.5 Liquidity risk**

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company’s operations and to mitigate the effects of fluctuations in cash flows.

**26.6 Financial instruments carried at fair value**

|  | Thousand Baht | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  | Cost |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **September 30, 2017** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Short term investment : |  |  |  |  |  |  |  |  |  |
| Trading Securities | 793,314 |  | 894,664 |  | - |  | - |  | 894,664 |
| Investments Fund : Fund | 432,238 |  | 623,782 |  | - |  | - |  | 623,782 |

|  | Thousand Baht | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  | Cost |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **September 30, 2017** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Trading Securities | 793,314 |  | 894,664 |  | - |  | - |  | 894,664 |

The fair value of the Group’s current investments were determined to be Level 1 under the fair value hierarchy as such current investments have a published price quotation in an active market.

**27. APPROVAL OF THE FINANCIAL STATEMENT**

The interim financial statements have been approved by the Company’s board of directors on November 13, 2017.